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# ***Daily Report***

## **China**

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# Daily Report

## China

FBIS-CHI-94-054

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21 March 1994

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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**General**

**Journalists Must Follow 'Necessary Formalities'**

OW2103124594 Beijing XINHUA in English  
1236 GMT 21 Mar 94

[Text] Beijing, March 21 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that it was improper for foreign journalists to cover news in China without going through necessary formalities.

He made the statement while commenting on a report that an AGENCE FRANCE PRESSE reporter who was conducting news coverage activities at the Tiananmen Square was stopped and had his film exposed.

The spokesman also said that two Chinese women were stopped by other citizens for disturbing public order this morning.

**APEC Finance Ministers To Meet in Honolulu**

OW1903010094 Beijing XINHUA in English  
0041 GMT 19 Mar 94

[Text] Honolulu, March 18 (XINHUA)—Finance ministers from the world's biggest and fastest growing economies are to meet here from today to explore opportunities for future cooperation in the Asia-Pacific region.

The meeting is to be held under an agreement reached in Seattle last November when leaders of the Asia-Pacific Economic Cooperation (APEC) met for the first time.

Deputy finance ministers met in Honolulu earlier this month to work out an agenda for this week's financial meeting, the first of its kind.

The meeting is expected to address some of the challenges facing the region, including ensuring non-inflationary regional growth, financing investment and infrastructure development, and promoting capital market development.

However, no trade or investment breakthroughs are expected from the Honolulu talks. But some officials from APEC members believe that the talks will pave the way for future development.

In all, more than 300 representatives and aides from the 17 APEC members have arrived here for the meeting.

Chile will attend the meeting as an observer, pending full membership next year.

APEC groups Australia, Brunei, Canada, China, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, Mexico, Papua New Guinea, and the United States. Chinese Taipei and Hong Kong joined the regional economic forum as regional economies.

Chinese Finance Minister Liu Zhongli arrived here Friday and will hold bilateral talks with his counterparts from some APEC member states later today.

**XINHUA Reports on APEC Finance Ministers Meeting**

OW2003030494 Beijing XINHUA in English  
0225 GMT 20 Mar 94

[Text] Honolulu, March 19 (XINHUA)—Finance ministers from Asia-Pacific Economic Cooperation (APEC) nations opened a meeting here today to discuss how to continue economic growth and increase outside investment in the Asia-Pacific region.

The ministers hope the discussions will help address some of the challenges facing the region, including ensuring non-inflationary regional growth and financing investment and infrastructure development.

The meeting is held in accordance with the vision statement issued on November 20, 1993, in Seattle, when the APEC leadership conference was held.

In an opening statement to the meeting today, U.S. Secretary of Treasury Lloyd Bentsen said that the meeting represents "the first opportunity for regional discussions about basic issues like economic growth and financial challenges."

"It would be hard to imagine a group of finance ministers with more of a reason to consult. The region includes the world's fastest-growing economies. We account for half the world's output, half the world's foreign exchange reserves, and nearly half the world's population.

"And trade within our region has reached 1 trillion dollars a year," he said.

Bentsen said, "All this growth brings with it a need for a broadened perspective. In today's interdependent world, this kind of economic performance cannot be sustained in a vacuum. We all share an interest in economic strength for the region as a whole."

He said that uneven and divergent economic performance in the region "creates uncertainty, uncertainty retards investment, and investment is essential to sustained growth."

"That is why we need to consult and to cooperate in identifying successful economic strategies for the future," Bentsen said.

Attending the meeting are finance ministers and their deputies from APEC nations of Australia, Brunei, Canada, China, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Thailand and the United States.



Hong Kong and Chinese Taipei are also participating in the meeting as regional economies while Chile, which has applied for APEC membership, is attending as an observer.

No specific agreement was expected at today's meeting.

A draft summary of the meeting has been handed out to the delegates. But changes are expected during discussions among the ministers.

Also speaking at today's meeting, Indonesian Finance Minister Mari'e Muhammad said that "foreign capital can play a significant role in promoting the efficiency of domestic resources."

He said Indonesia recognizes that its resources cannot meet all of its financial needs, particularly in the area of infrastructure development.

Analysts say that over the next decade, Asia will need investments totaling some one trillion U.S. dollars to develop highways, airports, telephone lines, ports and power plants.

#### **APEC Finance Ministers Agree on Guiding Policy**

*OW2003102494 Beijing XINHUA in English  
0923 GMT 20 Mar 94*

[Text] Honolulu, March 20 (XINHUA)—APEC [Asia-Pacific Economic Cooperation] finance ministers agreed here today that sound macroeconomic policies, stability and cross-border exchange would enhance economic development in the Asia-Pacific region.

The consensus was included in a joint ministerial statement on guiding policy formation of the APEC members which issued at the end of the ministers meeting of Asia-Pacific Economic Cooperation (APEC).

The ministers recognized the "sound macroeconomic policies and stability should remain a pillar of sustained, low-inflation growth in the region."

"Increasing cross-border flows of goods, services and investment should be another pillar for strong economic performance in the region," the ministers said in the statement.

They also agreed that further development of capital markets is needed for effective mobilization and allocation of private and business capital.

The one-day meeting discussed some of the fundamental economic challenges facing the Asia-Pacific region, including sustaining growth with low inflation, financing investment and infrastructure development.

The ministers also discussed the issues of promoting capital and market development. It had been stressed at the meeting that large and growing inflows of private investment from external sources have been, and will continue to be crucial.

The ministers agreed that they will pursue policies which promote ongoing large and diversified inflows of foreign direct investment.

The ministers decided to meet again next year in Indonesia to consult on specific issues as well as regional economic development as a whole.

U.S. Treasury Secretary Lloyd Bentsen told a press conference after the meeting that the ministers also "agreed on the importance of concluding the Uruguay Round and implementing its results."

Asked about relations between China and the United States, Bentsen said, "I must say that U.S.-China relationship is very important to the United States, to China and to all of Asia."

The APEC finance ministers meeting was convened under the vision statement issued November 20, 1993, in Seattle, when the APEC leadership conference was held.

APEC accounts for over 40 percent of world trade and over 13 trillion in output. It groups Australia, Canada, Brunei, China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, the Philippines, Papua New Guinea, Singapore, Chinese Taipei, Thailand and the United States.

Chile was invited to the meeting as an observer pending to its full membership to the organization in 1995. The 17-member group was founded in 1989 as a loose organization aimed at promoting trade, investment and economic cooperation.

#### **U.S. Treasury Official Comments on APEC Meeting**

*OW1903162194 Beijing XINHUA in English  
1354 GMT 19 Mar 94*

["APEC Dialogue Can Be Fruitful, Says U.S. Official"—XINHUA headline]

[Text] Honolulu, March 18 (XINHUA)—U.S. Treasury Undersecretary Lawrence Summers expressed optimism here today about tomorrow's meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) countries.

He told a press conference that "we expect very fruitful dialogue at the meeting", which "will cover the issue of maintaining growth, the issue of external finance and the issues connective with domestic capital market development."

However, Summers said that the goal is not "to reach any dramatic new agreement, but rather for the ministers to gain an understanding of each other's problems and each other's needs."

"This is not a forum for discussion of financial services issues, the exchange rate or current account issues," he added.

Summers is here with Secretary of the Treasury Lloyd Bentsen to attend the first APEC finance ministers meeting.

Before his departure for Honolulu yesterday Bentsen also stressed that the meeting is "an important precedent, because we've never all been in the same room at the same time."

However, during bilateral talks prior to the official meeting, some APEC ministers said they don't want to see the meeting formalized due to the diversity of development in the region.

This conference of APEC finance ministers is an outcome of the APEC leadership meeting in Seattle last November, hosted by U.S. President Bill Clinton.

Finance ministers participating include those from Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and the United States. Chile has been invited as an observer pending APEC membership in 1995.

#### **Majority of GATT Members Favor China's Early Reentry**

OW1903023194 Beijing XINHUA in English  
0223 GMT 19 Mar 94

[Text] Geneva, March 18 (XINHUA)—A majority of the countries of the General Agreement on Tariffs and Trade (GATT) favor an early resumption of China's GATT membership and make it a founding member of a world trade organization to be set up early next year.

At the four-day 16th meeting of GATT's working party on China ending today in Geneva, most representatives hoped for an early conclusion of the deliberation on the issue.

The Chinese delegation, led by Deputy Minister of Foreign Trade and Economic Cooperation Gu Yongjiang, gave the meeting detailed reports on China's reforms in its economic and trade systems.

The delegation also exchanged views with other representatives in informal bilateral consultations outside the sessions of the working party's meeting.

It is reported that the European Union has outlined a draft protocol on China's reentry into GATT, welcomed by the Chinese delegation as a "positive move," which marked the start of substantive talks despite some differences between the two sides.

Gu said at the end of the meeting that eight years had passed since China first asked in 1986 for the resumption of its GATT contracting status, an unprecedented length of time in the record of application for GATT membership.

Still ready to continue its efforts, he said, China will submit to the GATT secretariat in the near future systematic reports on its management of import and export, foreign exchange, price and tariff and non-tariff measures to show a full and clear picture of China's economic and trade structures.

The meeting did not decide when the working party will meet again.

#### **DPRK Urges IAEA To Revoke Inspection Decision**

OW1803172294 Beijing XINHUA in English  
1657 GMT 18 Mar 94

["DPRK Urges IAEA To Revoke Unjust Decision"—XINHUA Headline]

[Text] Pyongyang, March 18 (XINHUA)—The decision by the International Atomic Energy Agency (IAEA) on their recent nuclear inspection is unjustifiable, an official of the Democratic People's Republic of Korea (DPRK) said here today.

The DPRK Central Broadcasting Station quoted a spokesman for the atomic energy authority as saying that his country fully complied with the February 15 accord during the two-week inspection of seven of DPRK's nine nuclear sites which began March 1.

The results of the inspection were also adequate to verify that the DPRK is not developing nuclear weapons, the official added.

However, the IAEA Secretariat claimed that the inspection was conducted only in line with the nuclear security agreement and did not guarantee the continuity of nuclear security. The DPRK spokesman disagreed, and said that the IAEA has now made more unreasonable demands.

Since the DPRK has shown great flexibility by meeting all IAEA demands, the secretariat's reluctance to air the results, and threats to call a council meeting, only show that it openly violated the February 25 U.S.-DPRK agreement on nuclear inspections and has become increasingly unfair.

The spokesman said that unless the IAEA Secretariat revokes its unjust decision, it must be fully responsible for whatever action the DPRK may take.

#### **U.S. Decides To Resume Military Exercise With ROK**

OW2003075594 Beijing XINHUA in English  
0702 GMT 20 Mar 94

[Text] Washington, March 19 (XINHUA)—The U.S. administration decided today to reschedule a joint military exercise with South Korean forces this year, an administration official said here today.

The decision came after top national security aides conferred to the President for three hours at the White

House on how best to push the Democratic People's Republic of Korea (DPRK) toward "a position that doesn't end in conflict," the official told reporters.

The U.S. agreed early this month to suspend the joint military exercise with South Korea known as "Team Spirit" and to resume formal talks with the DPRK in Geneva on March 21 after an international inspections began at the DPRK nuclear sites and the DPRK and South Korea resumed their dialogue.

But with the collapse of Saturday's [19 March] talks between the DPRK and South Korea over the issue of nuclear inspections and the exchange of envoys, the official said, the exercise "will be rescheduled" and the meeting in Geneva "won't happen" unless circumstances change over the weekend.

The United States also threatened to proceed with plans to send Patriot air-defense missiles to South Korea. The United States will consult with South Korea on timing for deploying the weapons, the official said.

#### **Chernomyrdin Views NATO Partnership for Peace**

*OW1803180094 Beijing XINHUA in English  
1725 GMT 18 Mar 94*

[Text] Moscow, March 18 (XINHUA)—Russian Prime Minister Victor Chernomyrdin said here today that Russia's participation in the NATO Partnership for Peace program does not necessarily amount to giving up its position.

At a news conference joined by visiting U.S. Defense Secretary William Perry, Chernomyrdin told reporters that Russia has accepted the NATO's partnership proposal without putting up any preconditions.

The U.S. defense secretary also pointed out that the partnership for peace plan would not be practical until the end of March, when Russia formally applies for the partnership, the first step toward the full NATO membership.

The two ministers have worked on the issue of nuclear weapons and discussed specifically the disarmament of the nuclear arsenal in the former Soviet republic of Ukraine, reportedly the world's third largest.

Cooperation on the conversion of military industries into civil business and destruction of chemical weapons were also among the subjects they discussed, said the Russian prime minister.

Before leaving Moscow for Alma Ata, Perry and Russia's First Deputy Minister of Defense Andrey Kokoshin signed an agreement on military conversion this afternoon.

#### **Russia Differs With U.S. Openly Over Iraq**

*OW1803222894 Beijing XINHUA in English  
2116 GMT 18 Mar 94*

["Russia Favors To Encourage Iraq in Arms Destruction"—XINHUA headline]

[Text] United Nations, March 18 (XINHUA)—Russia differs with the United States openly today over the Iraq issue, saying that Iraq has made some progress on arms destruction and Russia is considering lifting oil embargo against it.

Russian UN Ambassador Yuliy Vorontsov said today in a statement, Russia "noted that there had lately been certain positive elements in the actions of Baghdad."

Addressing a regular 60-day review meeting of the Security Council over the sanctions against Iraq, the ambassador said that the position of Iraq should be encouraged.

He added that if a thorough and comprehensive compliance of Iraq with its obligations is confirmed, Russia would be ready to consider lifting the oil embargo in accordance with relevant Security Council resolutions.

"In this connection, we pronounced ourselves in favors of the inclusion in the text of the statement by the Security Council president of a clause mentioning positive shifts in the Iraqi position," he said.

China, France and Russia advocated a change in a routine presidential statement, so as to give Iraq some encouragement for its positive position in arms destruction.

The United States and Britain opposed it, by arguing that many other issues should be linked to the lifting of the embargos.

#### **Kazakhstan, U.S. Reach Military Conversion Accord**

*OW1903164294 Beijing XINHUA in English  
1623 GMT 19 Mar 94*

[Text] Alma-ata, March 19 (XINHUA)—Kazakhstani President Nursultan Nazarbayev met today with visiting U.S. Defense Secretary William Perry to discuss arms control and military conversion.

During the meeting, Nazarbayev expressed gratitude for the U.S. role in helping convert his country's military installations into civilian use. He also welcomed the U.S.-Russia accord, which compensates Kazakhstan for its uranium, an essential material for making strategic missiles.

Perry and Kazakhstani Defense Minister Sagadat Nurmagambetov signed an agreement today on military conversion, under which the U.S. will grant another 15 million U.S. dollars to Kazakhstan, raising the amount of promised aid for this purpose to 70 million dollars.



The U.S. is invited to participate in the privatization of the defense industry in Kazakhstan and the conversion of military establishments into civil enterprises.

At a brief press conference after the signing ceremony, Nurmagambetov told reporters that the two sides have discussed wide-ranging military cooperation, but there is no immediate accord in sight.

Liaison will soon be established, however, to expand military cooperation, he added.

William Perry, on a week-long visit to four former Soviet republics, will next go to Ukraine and Belarus after visiting a renowned spaceflight center in Kazakhstan tomorrow.

#### **XINHUA Reports Japanese Foreign Minister Arrives in Moscow**

OW2003032594 Beijing XINHUA in English  
0309 GMT 20 Mar 94

[Text] Moscow, March 19 (XINHUA)—Japanese Foreign Minister Tsutomu Hata arrived here today for a three-day visit aimed at further promoting the dialogue launched by Russian President Boris Yeltsin during his trip to Tokyo last October.

In a statement upon arrival at Moscow airport, Hata said the aim of his visit was to reaffirm the principles of the "Tokyo declaration" concluded during Yeltsin's visit to Japan.

He said he will hold talks with his Russian counterpart Andrey Kozyrev on international issues, including some problems in regions near Japan and the Far East of Russia, a reference to the disputed four islands.

The local press expected no significant progress during Hata's visit on the future of the Kuril Islands, held by the Russians since the end of World War Two but claimed by Japan. The territorial dispute is the biggest outstanding bilateral issue between the two countries.

The Japanese foreign minister will also meet with Ivan Rybkin, chairman of the lower chamber of parliament.

#### **Bosnia, Croatia Sign Accord on Federation**

OW1803153594 Beijing XINHUA in English  
1458 GMT 18 Mar 94

[Text] Washington, March 18 (XINHUA)—Presidents of Bosnia-Herzegovina and Croatia signed today at the White House an agreement on forming a Muslim-Croat federation.

The agreement was signed by Croatian President Franjo Tudjman and Bosnian President Alija Izetbegovic at a ceremony presided over by President Bill Clinton.

"The agreement signed today offer one of the first clear signals that parties to this conflict are willing to end the violence and begin a process of reconstruction," said Clinton.

But the accord was signed with the absence of the Serbs, who control 70 percent of Bosnia-Herzegovina.

Clinton said that he hoped "the Serbs will join in this process toward peace as well."

Earlier, the two sides signed a proposed constitution of the federation and initiated the principles of confederation between the two republics.

#### **Li Lanqing Meets U.S. Professor, Saudi Commerce Minister**

OW2103131094 Beijing XINHUA in English  
1239 GMT 21 Mar 94

[Text] Beijing, March 21 (XINHUA)—Chinese Vice Premier Li Lanqing met here today with Dr. Phillip Grub, professor of the United States' George Washington University, and a Saudi economic and trade delegation.

In his meeting with the Saudi visitors, led by Sulayman al-Sulayyim, minister of commerce of Saudi Arabia, Li expressed the belief that the visit would give impetus to the development of Sino-Saudi economic and trade ties.

"We speak highly of the development of our bilateral economic and trade ties in recent years," Li said.

He noted that the two governments have taken some measures in the past few years which have played a positive role in promoting economic and trade relations between the two countries.

However, great potential exists for the development of these ties and the areas of cooperation need to be further extended, he said.

The Chinese vice premier expressed the hope that the two governments would, along with the businessmen of the two countries, make joint efforts for the further development of bilateral economic and trade relations.

Al-Sulayyim told Li that the current visit here by such a big Saudi delegation showed his country's strong interest in expanding economic and trade relations with China.

He voiced the hope that the mutually beneficial economic and trade cooperation will be further expanded.

Wu Yi, minister of foreign trade and economic cooperation, took part in the meeting.

Prior to this, Li met with Professor Grub, the two sides exchanged views on a wide range of issues of common interest.

**IBM Donates Equipment to Shanghai Universities***OW1803162494 Beijing XINHUA in English 1528  
GMT 18 Mar 94*

[Text] Shanghai, March 18 (XINHUA)—International Business Machines (IBM) China Inc. will donate about five million yuan worth of computer equipment to Shanghai Engineering University and Shanghai University of Science and Technology.

A ceremony to mark the donation—worth about 575,000 U.S. dollars—was held here today.

Under the agreement, IBM will donate an IBM RS/6000 work station and software, aid two Chinese technicians to study relevant courses in Canada, help set up a teaching center of computer software engineering, and help the two universities to set up long-term cooperative relations with outstanding overseas schools.

IBM will cooperate with local authorities to set up a coordinating commission for the teaching center.

**United States & Canada****U.S. Secretary Comments on Avoiding 'Breakdown' of Relations***OW2003063094 Beijing XINHUA Domestic Service in Chinese 0506 GMT 20 Mar 94*

[Text] Honolulu, 19 Mar (XINHUA)—The United States must reconsider its China policy to avoid the breakdown of relations which may bring economic losses to the two countries, U.S. Secretary of the Treasury Bentsen said here today.

He made the remark prior to the opening of the finance ministers meeting of the Asia-Pacific Economic Cooperation forum. He said that he did not wish to see a confrontation between the United States and China.

Bentsen said that if the United States cannot exert pressure on China on the issue of human rights while ensuring that there will not be a breakdown of relations, then "we have to explore other methods."

He said that "viewed from the economic angle, the divorce of the United States from China will be harmful to both countries."

**Finance Minister Liu Welcomes Bentsen's Comments on MFN***HK2103062294 Hong Kong RTHK Radio Four in English 0500 GMT 21 Mar 94*

[From "News at One"]

[Text] China's Finance Minister Liu Zhongli has welcomed signs that the United States might compromise in its dispute with China over human rights and said Beijing was willing to discuss the issue so long as it was not linked to trade. Trevor Wyatt reports:

[Begin recording] Mr Liu said the Chinese Government had made it very clear that it was willing to discuss human rights with other countries, but it did not like one country imposing its values and positions on this issue on the other party. The United States is pressing Beijing to redress alleged human rights abuses and has threatened to withdraw China's most-favored-nation trading status if does not comply. Washington's threat not to renew MFN when it comes up in June has raised the specter of a rupture in economic relations that would not only hurt the two countries involved, but the rest of the Asia-Pacific region as well. Faced with that possibility, the American Treasury Secretary Lloyd Bentsen said last week that Washington needed to rethink its strategy for dealing with China in order to avoid a damaging breakdown in relations. Mr Liu agreed and said that he had heard the remarks by Mr Bentsen and appreciated them. He said if human rights and trade were linked together, then both countries would suffer. Saying that trade was mutually beneficial for both nations, Mr Liu urged the United States to renew MFN for China without any conditions. He said Beijing had the support of a number of other countries for its stance. [end recording]

**President Clinton Comments on U.S.-Chinese Differences***OW2003082294 Beijing XINHUA Domestic Service in Chinese 1617 GMT 17 Mar 94*

[By correspondent Xu Changyin (1776 7022 6892)]

[Text] Washington, 16 Mar (XINHUA)—U.S. President Bill Clinton indicated in Washington today that the United States can resolve its differences with China over certain issues.

Clinton made this remark when answering a question at a joint press conference with Israeli Prime Minister Yitzhaq Rabin.

Asked a reporter: There is now a growing call on the United States not to link U.S.-Chinese trade issues to the issue of human rights. What is your opinion on this?

Clinton responded: "From a long-term point of view, I believe we can resolve this problem, strengthen relations between the United States and China, and stress our proposition on human rights."

Clinton added: "We have spent, and will continue to spend, a great deal of time on handling the issue of our relations with China. Our policy will remain as it has always been, i.e. the issue of human rights is important, while other issues are also important."

**Qian Qichen Interviewed by NEW YORK TIMES Correspondent**

OW1903110094 Beijing XINHUA in English  
1047 GMT 19 Mar 94

[Text] Beijing, March 19 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen was interviewed here today by Howell Raines, editor of the editorial page of the U.S. NEW YORK TIMES, and his party.

Qian answered questions on current Sino-U.S. relations and international issues.

**XINHUA Views U.S. President's Possible Tax Difficulties**

OW1903233994 Beijing XINHUA in English  
2315 GMT 19 Mar 94

[Text] Washington, March 19 (XINHUA)—The White House said today that it was confident President Clinton's tax returns had been "correctly done" while he was in Arkansas as its governor.

However, it added, if more money is owed, "any amounts underpaid will be paid."

Clinton told reporters Friday [18 March] that any mistakes on his and his wife's tax returns "certainly were not intentional.... I don't think we owe any extra taxes, but I'm not sure yet."

His comments came amid increasing indications that the Clintons may have underpaid their income taxes over the past 15 years. The records are being scrutinized as part of the special counsel's investigation into the Clintons' investments in the 1980s in the Whitewater Development Corp. Inc. in Arkansas.

The Clintons' tax returns "have been professionally prepared by qualified CPA's (certified public accountants), and we have confidence that they were correctly done," the White House said in a statement.

"Should any facts emerge that indicate that they owe more or less in taxes, any amounts underpaid will be paid," the statement added.

David Kendall, the Clintons' personal lawyer, is reviewing the records with regard to their taxes, said a White House aide who declined to be named. The official added that it was too early to draw conclusions on whether the Clintons owe money.

Vincent Foster, the late deputy White House counsel and Mrs. Clinton's law partner in Arkansas, discovered that the Whitewater Development Corp., which was half owned by the Clintons, had not filed tax returns for three years, according to the March 21 "TIME" magazine.

**Wang Dan Clarifies Stand on Renewal of MFN Status**

HK1903041594 Hong Kong LIEN HO PAO in Chinese  
18 Mar 94 p 2

[By staff reporter from Beijing: "Wang Dan Calls for Extension of Most Favored Nation Status for a Year"]

[Text] The mainland's most famous pro-democracy activist, Wang Dan, yesterday issued a statement calling on the United States to renew the mainland's most favored nation [MFN] status, adding that the United States should also exercise close attention to the mainland's human rights record.

The following is the full text of Wang Dan's "statement on MFN:"

Foreign press circles gave wide publicity to a joint statement issued in the names of "Zhou Tuo, Wang Dan, and Min Qi" on 11 March 1994. Their reports referred to a sentence on "strongly calling on the United States to renew China's MFN status." Here I would like to solemnly clarify that this remark on MFN, particularly the word "strongly," does not represent my personal stand or attitude. Thus a correction is necessary.

To clear up this misunderstanding, I am willing to make an open statement on my basic stand and attitude concerning the MFN status. My opinion follows:

1. This year the United States should renew China's MFN status, because if the United States abolishes China's MFN status, first, this could damage the economic interests of the Chinese people; second, this could be unfavorable to speeding up the introduction of market economy, whereas the vigorous introduction of market economy will fundamentally promote China's social progress; third, this could stop U.S.-Chinese economic relations, while facts have shown that these relations are effective ways to promote social progress in China; separation could cut off the channel for the United States to urge China for human rights improvement; fourth, this could discourage the enlightened leaders in the CPC from pursuing a firm reform policy and could provide a pretext for those with ulterior motives to hamper reform and opening up; fifth, this could ruin China's pro-democracy movement and aggravate the situation in which pro-democracy activists find themselves. This year is an important and crucial year in China's reform process. Any decision beneficial to promoting reform is wise and worthy of support. The international community should also notice that the Chinese Government has switched from refusal to acceptance on the human rights issue and has made some sensible moves on some aspects of human rights. This should also be encouraged.

2. In the meantime, it is also my opinion that MFN status should, naturally, be linked to the human rights issue. Not only is this the U.S. Government's moral



responsibility in carrying forward global democratization process, but it is also a real issue of whether or not economic interests can be guaranteed. But there has not been a major change in China's human rights record—it is still quite far from the international community's standards. Therefore, when renewing China's MFN status for another year, the United States should also continue to maintain a close watch on China's human rights record and take relevant measures so that this effort will yield effective results.

In conclusion, my appeal for renewal of China's MFN status does not mean that there has been marked improvement in China's human rights record, but I am making this appeal out of consideration for actual needs. This is my personal analysis and opinion, which are not affected by my emotions. Therefore the word "strongly" does not represent my stand or attitude.

[Signed] Wang Dan,

[Dated] 17 March 1994.

## Northeast Asia

### Japanese Premier Morihiro Hosokawa Views Upcoming Trip

#### Reaffirms Future-Oriented Ties With China

OW1803143994 Beijing XINHUA in English  
1427 GMT 18 Mar 94

[By Yang Qi]

[Text] Tokyo, March 18 (XINHUA)—Prime Minister Morihiro Hosokawa said today he will reaffirm a future-oriented Japan-China relationship when he meets with Chinese leaders in Beijing this weekend.

Before flying to Beijing on Saturday [19 March] for his first-ever three-day official visit to China, he told a group of Chinese journalists here that "Japan's relations with China have entered a new stage." Tokyo and Beijing should double their efforts to develop "the already mature relationship" into a future-oriented one that will benefit the international community, said the prime minister who assumed office last August.

"I hope that the two sides will hold very meaningful talks and exchange views frankly with each other," the prime minister said.

Hosokawa is scheduled to meet President Jiang Zemin and Premier Li Peng in Beijing to discuss bilateral and international issues. The trip will also take him to Shanghai, China's largest city.

Trade between the two countries totalled 39 billion U.S. dollars last year, a 33-fold increase over 1972, the year China and Japan normalized relations.

Japan became China's largest trading partner last year, while China emerged as Japan's second biggest after the United States.

The prime minister expects trade between the two countries to reach 70 billion dollars by the end of 2000, and 190 billion dollars by the end of 2010 if it maintains an average annual growth of 10 percent.

He said that Japan's investment in China amounted to 5.17 billion dollars by the end of last September, one third of which was invested in fiscal 1992.

The prime minister told the Chinese journalists, who are here on a week-long visit at the invitation of Japan's Foreign Ministry, that Japan will "pay much attention" to development in Shanghai's Pudong Development Zone, China's industrial hub, which he will visit Monday. He also said that his country will provide more aid to China's northeastern provinces.

On security in the Asia-Pacific region, Hosokawa voiced his concern over "unstable elements," an apparent reference to the alleged nuclear development program on the Korean peninsula.

He hoped that Tokyo and Beijing will work hard to seek solutions to this problem through bilateral and multilateral cooperation.

Expressing concern over the prolonged conflicts in the former Yugoslavia, Somalia and other troubled areas, the prime minister said that Japan will offer economic support to help resolve these problems.

The prime minister said his government will work under Japan's war-renouncing Constitution to "make greater contributions" to world peace.

#### Emphasizes Future of Bilateral Ties

OW1803162894 Beijing XINHUA in English  
1600 GMT 18 Mar 94

[Text] Tokyo, March 18 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa leaves here Saturday [19 March] for Beijing on a three-day official visit to China where he hopes to emphasize the development of future bilateral ties between the two neighboring countries.

During his first official China trip since taking office last August, Hosokawa will hold talks with President Jiang Zemin and Premier Li Peng on bilateral and international issues, Chinese and Japanese officials said.

He will also fly to Shanghai on Monday to visit the Pudong Development Zone, the officials said.

The prime minister told a group of Chinese journalists today that he hopes to reaffirm the consensus arrived at by Japanese and Chinese leaders that the bilateral relationship should be future-oriented and contribute to the world.

"I hope that the two sides will hold very meaningful talks and exchange views frankly with each other," he said.

Hosokawa's visit comes at a time when there are no major pending issues between Japan and China, a Japanese Foreign Ministry official said.

Both countries feel satisfied over the smooth development of bilateral ties and hope to further develop them toward the 21st century, the officials said.

They said recent exchanges between Chinese and Japanese leaders have brought the mature relationship into "a new era of development."

Jiang visited Japan in April 1992, while Emperor Akihito and Empress Michiko toured China in October of that year in celebration of the 20th anniversary of the normalization of diplomatic ties.

Under Hosokawa's government, Foreign Minister Tsutomu Hata met his Chinese counterpart Qian Qichen in September, and Hosokawa held talks with Jiang in Seattle in November when they met at an unofficial summit meeting of the Asia-Pacific Economic Cooperation Forum.

In January this year, Hata visited Beijing and Chinese Vice Premier Zhu Rongji came to Japan last month.

The bilateral trade volume reached 39 billion U.S. dollars last year, when Japan took over Hong Kong to become China's largest trading partner while China became Japan's second largest trading partner after the United States.

The officials said Hosokawa will express Japan's continued support for China's reform to shift to a market economy and backing for Beijing's bid to become a full member of the General Agreement on Tariffs and Trade.

Hosokawa will also supervise the signing of an environment cooperation treaty during his visit, they said.

Under the accord to be signed, Japan will provide China with technology to combat acid rain, and air and water pollution in the wake of China's rapid industrialization, according to the officials.

### Hosokawa Views Sino-Japanese Ties

OW1903015094 Beijing XINHUA Domestic Service in Chinese 1320 GMT 18 Mar 94

[By reporters Yang Qing (2799 7230), and Zhang Huanli (1728 3562 0448)]

[Text] Tokyo, 18 Mar (XINHUA)—Japanese Prime Minister Morihiro Hosokawa said here today that Japan and China share a common understanding that the two countries should strengthen their cooperation in the future on the basis of the already matured Sino-Japanese relations, and with the wish to contribute to the future and the world.

Hosokawa made this statement while receiving members of a Chinese press delegation at the prime minister's residence on the eve of his visit to China.

Hosokawa said: "During my visit, I hope the heads of the two countries' governments will reaffirm this understanding so friendly relations will continue to develop and broaden. I believe the two sides will have very meaningful talks and will exchange views candidly [tan shuai di 0982 3764 0966]."

On the two countries' economic and trade ties, he said: "The volume of Sino-Japanese trade last year (according to Japan's statistics) reached \$37.8 billion, or 33 fold that of 1972. If calculated according to the annual 10 percent growth registered in the last decade, the two countries' trade volume will exceed \$70 billion in 2000 and reach \$190 billion in 2010. As of the end of September 1993, Japanese investment in China reached \$5.17 billion." Hosokawa maintained that Sino-Japanese economic exchanges not only increased quantitatively, but also changed qualitatively. He said: Prospects for cooperation will be very bright for Japan and China as partners shouldering heavy responsibilities in the world's economic sphere.

Hosokawa said he will visit Shanghai. He said people within economic circles in Japan and other countries are watching Shanghai's development very closely. He believed that Japan's nongovernment enterprises will continue to invest in the Pudong New District. Hosokawa maintained that Shanghai will play the leading role in China's reform and opening up. He said: "As far as I am concerned, being able to see the development there with my own eyes is of far-reaching significance."

In response to a reporter's question, Hosokawa said that northeast China is one of the key regions of Sino-Japanese economic cooperation because it is closely related to Japan both historically and geographically. He said that Dalian and other areas in northeast China are actively accepting Japanese investment, adding that he hopes northeast China will further strengthen its exchange and cooperation with Japan.

Hosokawa said: The situation in the Asia-Pacific region is gratifying. The rapid economic growth in this region has contributed to world peace and prosperity. Although it still has worrisome elements of instability, Japan and China can contribute significantly to the region's peace and prosperity through bilateral and multilateral cooperation.

Commenting on the world situation, Hosokawa noted: "In a sentence, there are still places where the situation is unclear and in a state of unrest. On the whole, the world economy is stagnant. Although the economic situation in the United States and some European countries is improving, Japan is still in an economic recession. China may be the only place in the world enjoying high growth." With respect to the political situation and security, he noted: There are still conflicts in the former

Yugoslavia and Somalia. We can say that problems requiring solutions are piling up. Japan plans to give economic support to the solution of these problems. He stressed: "Within the scope defined by the Constitution of Peace, Japan will contribute more to developing multilateral international cooperation. Meanwhile, Japan will make greater efforts to ensure that diversity is respected and the world becomes a more stable and prosperous place."

Hosokawa also described his family life at reporters' request. He said that the five members of his family are keenly interested in China, his wife has visited China nearly 10 times, and his youngest daughter is now touring Shanghai. He said he likes sports, but he has been too busy for sparetime activities since he became prime minister eight months ago. He joked: "I want to become a free man as early as possible!"

#### Leaves for Three-Day Visit

OW1903014694 Beijing XINHUA in English  
0118 GMT 19 Mar 94

[Text] Tokyo, March 19 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa left here today for Beijing on a three-day official visit to China for summit talks with Chinese leaders on Sino-Japanese relations and international issues.

This is his first official visit to the neighboring nation since Hosokawa became prime minister last August from outside the Liberal Democratic Party.

During the China trip that will take him to Beijing and Shanghai, the prime minister is scheduled to meet President Jiang Zemin and Premier Li Peng for talks on matters of common concern.

He will travel to Shanghai to visit the Pudong development district Monday and attend a luncheon hosted by Shanghai Mayor Huang Ju, and returns home on the same day.

#### Hosokawa Arrives in Beijing

OW1903044394 Beijing XINHUA in English  
0437 GMT 19 Mar 94

[Text] Beijing, March 19 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa and Mrs. Hosokawa, at the invitation of Chinese Premier Li Peng, arrived here at noon today by special plane to begin his three-day official visit to China.

According to an official from the Chinese Foreign Ministry, during the visit, Hosokawa is to exchange views with Chinese leaders on expansion of bilateral relations of friendship and cooperation and on international issues of common concern. An agreement on cooperation in environmental protection is expected.

Among those greeting him at the airport were Chen Jinhua, chairman of the Chinese Government Reception Committee and minister in charge of the State Planning

Commission, Xu Dunxin, Chinese ambassador to Japan, Tang Jiaxuan, Chinese vice-foreign minister, and Michihiko Kunihiro, Japanese ambassador to China.

#### Li Peng Meets Japanese Premier

OW1903120494 Beijing XINHUA in English  
1159 GMT 19 Mar 94

[Text] Beijing, March 19 (XINHUA)—Chinese Premier Li Peng had a brief meeting with Japanese Prime Minister Morihiro Hosokawa soon after his arrival here today.

Extending a warm welcome, Li Peng noted that under the fast-changing international situation of today, it is important for Chinese and Japanese leaders to have frequent meetings in order to promote mutual understanding.

Hosokawa thanked the Chinese leaders for receiving him now when they are particularly busy with the on-going second session of the Eighth National People's Congress.

He told Li that he toured the Palace Museum in central Beijing earlier today and was deeply impressed by China's ancient civilization.

The two leaders said that they expect to have fruitful discussions tomorrow.

Present at the meeting were Chinese Vice Premier and Foreign Minister Qian Qichen and other officials as well as Japanese officials who are accompanying the prime minister on the visit.

Prior to the meeting, Li presided over a ceremony welcoming Prime Minister Hosokawa.

Li also hosted a banquet for the visitors later today.

In the afternoon, Hosokawa inspected a section of the Beijing underground railway and toured a free market in northern Beijing.

#### Li Peng, Japan's Hosokawa Hold Talks

OW2003100194 Beijing XINHUA in English  
0944 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—Chinese Premier Li Peng said here today that the Chinese Government attaches great importance to its good-neighborly friendship and mutually-beneficial cooperation with Japan.

He made these remarks during the two-hour talks with visiting Japanese Prime Minister Morihiro Hosokawa at the Diaoyutai State Guesthouse here this morning.

Li said looking towards the future and the 21st century, China will work together with the Japanese side to strengthen their coordination and develop their bilateral ties in all fields, and will make joint efforts with it for peace and prosperity in Asia and for turning the 21st century into a century of peace and development.



Li noted the Japan visit by General Secretary Jiang Zemin of the Chinese Communist Party Central Committee and the China visit by the Japanese emperor and empress in 1991 has ushered the Sino-Japanese relations into a new phase of development.

Since then, Li said, high-level exchanges have increased and economic and trade cooperation has developed rapidly. This is the result of the joint efforts made by the two governments and peoples for a long time, and should be cherished by both sides.

Li said that since Hosokawa took office as prime minister, he has continued to attach great importance to Japan-China ties, and has devoted himself to the friendly bilateral cooperation. "We express our high appreciation for this," Li added.

The Chinese premier emphasized that China and Japan are two important countries in the region. After the Cold War, the status of Asia is rising obviously, and the impact of the Sino-Japanese relations has been felt beyond the scope of bilateral ties.

Hosokawa said that through joint efforts of the two countries, Japan-China relations have entered a new stage of development. The Japanese Government highly values the bilateral ties.

Japan will continue to support China's reform and open-up policy and modernization construction, he said.

In the past, Hosokawa said: "The Japanese invasion and colonial rule had brought intolerable sufferings to the people of various countries in Asia."

"We deeply deplore at this," he said, adding that Japan will, on the basis of the introspection of the past history, make continued efforts to establish its friendly ties with China and ties that will look towards the future.

Premier Li appreciated Hosokawa's position and views, and said, "It is our consistent stand that while taking a correct attitude towards history, we should also look towards the future."

"The statesmen of the two countries should have their eyes on future and the 21st century," Li said.

He described the rapid development of the bilateral economic and trade relations as an important sign that the Sino-Japanese ties have entered a new stage.

The premier said the economies of the two countries are mutually complementary, and the economic development of China is focused on energy, transportation and telecommunications in which Japan is strong.

So further growth of bilateral cooperation will have tremendous potential, and will benefit both countries, Li said, adding that industrialists and entrepreneurs of the two countries have a better understanding of this and have showed high initiative.

"The two governments should seize the opportunity to promote this trend," he said.

Li and Hosokawa called on the Sino-Japanese 21st Century Friendship Committee to put forward proposals on how to develop bilateral ties with an eye on the 21st century when it holds its meeting this year.

On China's military budget, Li said that China pursues an independent foreign policy for peace, and has not a single soldier stationed abroad.

China is among the countries whose military budgets are the lowest in terms of both absolute and per-capita figures, he said.

China's military budget is only 52 billion yuan or over five billion U.S. dollars this year, he said, adding that the increase of the absolute military expense is mainly for offsetting the influence of inflation, so as to maintain the daily expenditure of the army and improve the life of the servicemen.

In contrast, the military budget of the United States is more than 200 billion U.S. dollars, and Japan's is over 40 billion U.S. dollars, he said. So any worry abroad about the increase of the absolute figure of China's military budget is groundless, he added.

Hosokawa expressed his understanding of this.

The Japanese prime minister said that the two countries both have responsibility for the world, and he was pleased that as Japan's trade with and investment in China are expanding in the recent years, the interdependent relations between the two countries have been deepened.

The rapid development of the Chinese economy has attracted worldwide attention, and has produced positive effect on the Japanese economy, he said, adding that the prospect for strengthening bilateral cooperation in various fields is bright.

He said that Japan would continue to support the resumption of China's status as a contracting party in the General Agreement on Tariffs and Trade and take a cooperative attitude towards this.

He expressed his hope that China's status in the GATT will be restored at an early date.

Li thanked Hosokawa for this and appreciated his position.

On the fourth batch of yen loans to be offered by Japan to China, Hosokawa said that he had given an instruction to departments concerned to propose an amount of loans which would contribute to the Japan-China friendship in the future.

He reaffirmed that Japan will strictly abide by the principles of the Japan-China joint statement, and will not develop any official relations with Taiwan.

Li Peng expressed his appreciation for this.

During the meeting, the two leaders also exchanged views on the nuclear issue related to the Democratic People's Republic of Korea.

Premier Li elaborated China's basic position, and stressed that the issue should be solved through dialogues and negotiations.

He said that to maintain the stability on the Korean peninsula would be beneficial to its neighboring countries including Japan and to peace and stability in the region.

Hosokawa said Japan also held that it is better to solve the issue through negotiations.

He expressed his worry about the current developments of the issue.

Among those present at the talks were Chen Jinhua, chairman of the Chinese Government Reception Committee and minister in charge of the State Planning Commission, Xu Dunxin, Chinese ambassador to Japan, and Michihiko Kunihiro, Japanese ambassador to China.

#### **Agreement Signed With Japan**

*OW2003102994 Beijing XINHUA in English  
1006 GMT 20 Mar 94*

[Text] Beijing, March 20 (XINHUA)—An agreement on environmental protection between the Chinese and Japanese Governments was signed here today.

Chinese Premier Li Peng and Japanese Prime Minister Morihiro Hosokawa attended the signing ceremony after their two-hour talks.

Signing of the accord marks that a successful Sino-Japanese cooperation on environmental protection over the past decade has made another step forward.

Xie Zhenhua, head of the Chinese State Bureau of Environment Protection, and Michihiko Kunihiro, Japanese ambassador to China, signed the agreement on behalf of their respective governments.

According to Xie, China and Japan started cooperation in environmental protection as early as in the 1980s. Since then, frequent visits, joint research, personnel training, joint scientific and technical projects have been going on between Chinese and Japanese technicians and environmental managers.

According to an exchange of notes between the two governments in 1991, the Japan donated 10.2 billion Japanese yen to China to set up a Sino-Japanese friendship environmental protection center in Beijing which is under smooth construction and due to be completed by the end of 1995.

Between 1992 and 1993, with the aid of the Japanese Government, the two countries carried out an investigation of the water pollution in Boyang Lake in east China and a purification program, which has achieved satisfactory results.

During the past few years, China and Japan also stepped up cooperation in regional environmental protection such as in northeast Asia and northwest Pacific ocean.

According to the new agreement signed today, the two countries will cooperate in the fields of prevention and control of air pollution, acid rain, water pollution and the disposing of harmful wasted gases, research in the impact of pollution to human health, improvement of urban environment, protection of ozonosphere, and protection of natural ecological environment and biological varieties.

The two sides will strengthen the exchanges of scientists and technical personnel and of technical information and data concerning research and development of environmental protection.

#### **Hosokawa Asks Li Peng To Lend Ibis to Japan**

*OW2003082394 Tokyo KYODO in English 0808 GMT  
20 Mar 94*

[Text] Beijing, March 20 KYODO—Japanese Prime Minister Morihiro Hosokawa surprised Chinese Premier Li Peng on Sunday [20 March] by asking China to lend Japan a pair of ibis for breeding, Japanese officials said.

Hosokawa made the request during a two-hour meeting with Li, the officials said. The subject of the ibis, though, was not originally on the agenda for the talks with the Chinese premier.

Hosokawa told Li there are only a pair of ibis now in Japan and they are too old for artificial breeding, they said.

He asked China to lend Japan a pair for breeding, saying he has heard that there are a number of captive ibis in China that have either artificially or naturally produced offspring, they said.

Li replied that he basically supports Hosokawa's idea but he will ask experts to work out such a loan, the officials said.

#### **Premier Hosokawa Views DPRK Nuclear Problem**

*OW2003075794 Tokyo KYODO in English 0746 GMT  
20 Mar 94*

[By Miu Oikawa Dieter]

[Text] Beijing, March 20 KYODO—Japanese Prime Minister Morihiro Hosokawa voiced grave concern Sunday [19 March] over recent situations surrounding North Korea's alleged development of nuclear weapons, saying the international community's patience is nearing its limit, Japanese officials said.

Chinese Premier Li Peng said, however, the international community should try to solve the problem through patient negotiations, the officials said.

Li was also quoted as saying it is important to call on North Korea to accept complete international inspections but giving North Korea "what it needs" is also important, they said.

The Chinese premier, however, did not specify what North Korea needs, the Japanese officials said.

During a two-hour meeting at the Diaoyutai Guesthouse, Hosokawa said Japan has "grave concern" that inspections by the International Atomic Energy Agency (IAEA) of North Korea's nuclear facilities ended insufficiently despite Pyongyang's accord with the IAEA, and talks between Seoul and Pyongyang failed because of North Korea's negative stance, the officials said.

"If this problem goes as it is, the possibility of this problem being raised in the U.N. Security Council is becoming high," Hosokawa was quoted as telling Li.

He also said the international community's patience is "nearing the limit" although Japan, China, the United States and South Korea have held common acknowledgement that it is best to solve the problem through dialogue and negotiations.

"Looking at North Korea's stance up to now, the international community cannot but feel that it is trying to procrastinate," Hosokawa was quoted as saying.

He said it is vital to call on North Korea to accept all inspections by the IAEA and to exchange envoys between Seoul and Pyongyang.

Hosokawa also told Li China has an important role to play in conveying the mood of the international community properly to North Korea, the officials said.

Li told Hosokawa China supports nonproliferation of nuclear weapons and also does not wish the emergence of a new nuclear-possessing country.

He said, however, that by trying to solve the problem patiently through negotiations "the results will naturally come out," the officials said.

"It is very important to cope with this problem by taking more time," Li was quoted as saying.

Since South Korean President Kim Yong-sam is to visit Japan and China next week, the problem of North Korea's alleged nuclear weapons is expected to be discussed among Japan, South Korea and China.

In the talks that covered a wide range of topics, Hosokawa referred to Japan's wartime responsibilities and said he wants to "foster future-oriented Sino-Japanese relations" based on his policy speech at the Diet last August.

In the speech, he expressed "deep remorse and apologies for the fact that past Japanese actions, including aggression and colonial rule, caused unbearable suffering and sorrow for so many people."

It was the first time for a Japanese prime minister to use the words "aggression and colonial rule" in a policy speech in referring to Japan's actions during World War II. Millions of Chinese are believed to have died during the Sino-Japanese war that lasted from 1931 through 1945.

Li welcomed Hosokawa's remarks, telling him it was the "most frank and sincere attitude" he has ever heard, the officials said.

Also during the meeting, Hosokawa urged China to make its military spending "transparent." Li replied that China will make efforts to increase the transparency, they said.

Hosokawa also told Li that Japan is particularly interested in extending yen loans to projects involving environment preservation and agriculture, and in shifting emphasis to inland China from the coastal regions, they said.

Li expressed concern over Taiwan's "vacation diplomacy," alluding to Taiwan President Li Teng-hui's series of visits to the Philippines, Indonesia and Thailand in mid-February.

The Chinese premier told Hosokawa he wants Japan to cope with the matter based on the 1972 Sino-Japan joint communique that restored diplomatic ties between the two countries.

In the document, Japan endorses Beijing's position that Taiwan is part of China. China strongly opposes any attempt to create "two Chinas" and the notion of "One China, One Taiwan."

During the meeting, Hosokawa voiced support for China's bid to enter the General Agreement on Tariffs and Trade, while Li did not openly support Japan's bid for a permanent seat on the U.N. Security Council, the officials said.

Hosokawa and Li agreed to meet again in Tokyo, they said.

In the cultural field, Hosokawa pledged to provide 1 million dollars through the U.N. Educational, Scientific and Cultural Organization (UNESCO) to help preserve the Hanyuan Palace in the ancient capital of Xian.

Earlier in the day, he visited the monument to the People's Heroes in Tiananmen Square and placed flowers in front of the monument.



**Hosokawa Lays Wreath at Monument***OW2003080894 Beijing XINHUA in English  
0734 GMT 20 Mar 94*

[Text] Beijing, March 20 (XINHUA)—Visiting Japanese Prime Minister Morihiro Hosokawa and Mrs. Hosokawa laid a wreath to the monument to the people's heroes on the Tiananmen Square here this morning.

Among those accompanying Hosokawa on the occasion was Chen Jinhua, chairman of the Chinese Governmental Reception Committee and minister in charge of the State Planning Commission.

**Jiang Zemin, Zhu Rongji Meet With Hosokawa***OW2003124794 Beijing XINHUA in English 1229  
GMT 20 Mar 94*

[Text] Beijing, March 20 (XINHUA)—Chinese President Jiang Zemin and Vice Premier Zhu Rongji had separate discussions with visiting Japanese Prime Minister Morihiro Hosokawa on furthering Sino-Japanese relations and other issues here today.

According to a Chinese Foreign Ministry spokesman, Jiang praised Hosokawa for focusing seriously on bilateral ties and for actively promoting Sino-Japanese friendship. He also expressed the conviction that Hosokawa's visit will be useful in enhancing the bilateral ties.

He noted that the rapidly developing Sino-Japanese ties over the past 22 years following the normalization of diplomatic relations between the two countries have entered into a new period of "all-round development."

Jiang said that China and Japan have their own strong and weak points; therefore they are partners in cooperation. "So long as the leaders of our two countries have a clear understanding on this, the two sides can surely foster a long and sustained relationship of mutually beneficial cooperation," he stressed.

He also believed that it is a historical trend for China and Japan to live in peace from generation to generation.

Discussing international issues, Jiang said that under the turbulent international situation of today, a rare chance has emerged in Asia, which now enjoys relative stability and fast economic development.

He continued that as the 20th century is approaching to an end, the leaders of the Asian countries must answer a question of major importance, namely, what kind of Asia will they take into the 21st century.

Jiang said that the Chinese leaders, while concentrating on domestic issues, will foster better coordination and cooperation with Japan.

China, Japan and other Asian countries should make joint efforts to keep long-term stability in the continent and to establish a new international order under which

countries, big or small, rich or poor, can live in peace and deal with each other on an equal footing, Jiang said.

This is Hosokawa's second meeting with Jiang, following their meeting in Seattle last November.

Hosokawa told Jiang that his meetings with Premier Li Peng and Vice Premier Zhu Rongji show that the two sides have identical or similar views on many issues.

He said that he was confident that Japan and China will build a forward-looking relationship of long-term and stable cooperation.

Hosokawa conveyed the Japanese emperor's invitation for Jiang to visit Japan. Jiang thanked the emperor and asked Hosokawa to convey his good wishes to the emperor and empress.

Zhu Rongji met with Hosokawa and his wife and hosted a luncheon in their honor earlier today, thanking the Japanese Government and people for their hospitality accorded him during his recent visit to Japan.

Hosokawa said that he was very pleased to meet Zhu again.

**Hosokawa Calls on Beijing Not To Conduct Nuclear Tests***OW2003130494 Tokyo KYODO in English 1245 GMT  
20 Mar 94*

[By Miu Oikawa Dieter]

[Text] Beijing, March 20 KYODO—Japanese Prime Minister Morihiro Hosokawa urged Chinese President and Communist Party leader Jiang Zemin on Sunday [20 March] not to conduct nuclear tests, Japanese officials said.

During an hourlong meeting with Jiang, Hosokawa called for China's active participation in the negotiations on an international treaty designed to impose a comprehensive ban on nuclear tests.

There was no immediate response from Jiang, however, the officials said.

Prior to the meeting with Jiang, Hosokawa talked with Premier Li Peng and voiced grave concern over recent situations surrounding North Korea's alleged development of nuclear weapons.

Also during the meeting with the president, Hosokawa reiterated his remarks on Japan's wartime responsibilities, referring to his policy speech made in August which expressed "deep remorse and apologies for the fact that past Japanese actions, including aggression and colonial rule, caused unbearable suffering and sorrow for so many people."

Jiang told Hosokawa Japan and China should look at their bilateral relations from a long-term perspective.

The president was quoted as saying the two nations have common points and the two sides are "partners, not rivals," despite differences in the social system between Japan's capitalism and China's socialism.

Hosokawa is currently on a three-day visit to China beginning Saturday.

Jiang referred to U.S. Secretary of State Warren Christopher's visit to China earlier this month and said he told Christopher that "fighting is the beginning of becoming friends."

If the two sides engage in patient negotiations and confide in each other instead of resorting to pressure, the negotiations would be successful, Jiang was quoted as saying.

The Chinese president also said the U.S. extension of most-favored-nation (MFN) trade status to China will be mutually beneficial.

Washington has linked MFN extension to improvement in China's human rights record. China refuses any such linkage.

Jiang also told Hosokawa that patience is necessary to solve the problem of North Korea's suspected nuclear arms development.

Jiang said he realizes there are expectations for China in helping solve the issue but that it is necessary to engage in "patient and fair" negotiations.

Jiang also brought up defense matters and said China's military facilities are for defense purposes and will not be used for aggression.

At the end of the meeting, Hosokawa extended an invitation for Jiang to visit Japan again, officials said. Jiang visited Japan in 1992.

#### **Li Peng Hosts Banquet for Japan's Hosokawa**

OW1903113594 Tokyo KYODO in English 1116 GMT  
19 Mar 94

[By Robert J. Saiget]

[Text] Beijing, March 19 KYODO—Japanese Prime Minister Morihiro Hosokawa arrived in Beijing Saturday [19 March] afternoon and immediately began a sightseeing trip that took him on a subway ride and to a free market.

After being met at the airport by State Planning Commission Minister Chen Jinhua and Vice Foreign Minister Tang Jiaxuan, the prime minister was whisked away to the Diaoyutai State Guesthouse.

His populist tour of Beijing began almost immediately with a ride on the newest section of Beijing's subway, taking him from Fuxingmen station in the western district to the busy market area of Xidan near the city center.

Subway officials eagerly answered Hosokawa's questions as an empty train rolled into the station for the small entourage.

Security was tight at both stations, and remained so the rest of the afternoon as Chinese police made sure that no unruly incidents took place in front of the Japanese premier.

Crowds appeared curious along the entire route and didn't seem to be bothered by traffic inconveniences caused by the Hosokawa entourage.

Leaving Xidan, Hosokawa returned to the motorcade and was taken to Tiananmen Square where he climbed the rostrum overlooking the square and stood on the spot where Mao Zedong declared the beginning of the People's Republic of China in 1949.

After touring the Palace Museum, residence of the Yuan, Ming and Qing dynasties, Hosokawa retook his populist posturing while visiting a crowded northern Beijing free market.

While making inquiries into a variety of goods, including several varieties of rice and Chinese herbs and spices, his wife Kayoko Hosokawa purchased small quantities of black rice and some Chinese herbs.

Commenting on the large variety of foodstuffs, the prime minister lingered longest around stands selling soft-shelled tortoises, asking sellers about the taste and price.

Before leaving he stopped by a fruit stand and was offered a large watermelon, which he gladly accepted as the crowd of onlookers applauded.

During his sightseeing tour, there was no sign of activists demanding war compensation from Japan. More than a hundred such activists were rounded up Thursday and Friday before the visit.

Saturday evening, Chinese Premier Li Peng held a welcome banquet for Hosokawa in the Great Hall of the People.

The premier is expected to meet with President Jiang Zemin, Li and Vice Premier Zhu Rongji on Sunday.

#### **Li Peng Briefs Hosokawa on U.S. Secretary's Visit**

OW2003134094 Beijing XINHUA in English  
1320 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—Chinese Premier Li Peng briefed visiting Japanese Prime Minister Morihiro Hosokawa on U.S. Secretary of State Warren Christopher's recent visit to China at a dinner given in his honor last night, according to Foreign Ministry Spokesman Wu Jianmin today.

The spokesman quoted Li Peng as saying that both the Chinese and U.S. sides elaborated their respective positions on the most-favored nation trade status, human rights and other issues during Christopher's four-day visit.

The Chinese side held that the discussions were useful in helping to increase mutual understanding, Wu said.

Thanking Li for the detailed and all-round briefing, Hosokawa held that it is somewhat unwise to impose the western concepts of democracy on other countries.

Moreover, he said, he also fully understands Li's viewpoint and position on human rights, according to the spokesman.

Hosokawa recalled that China had played an active role for the adoption of the Vienna Declaration on Human Rights during the World Conference on Human Rights last year.

Japan deems that it is the duty of all countries to work for the materialization of the basic principles and guidelines of the declaration, Hosokawa said.

#### Li Peng Hosts Ceremony

OW1903120094 Beijing Central People's Radio Network in Mandarin 1030 GMT 19 Mar 94

[From the "National Hookup" program]

[Text] Premier Li Peng presided over a ceremony at the Central Hall of the Great Hall of the People this evening in honor of Japanese Prime Minister Morihiro Hosokawa, who is on an official visit to China.

Qian Qichen, vice premier and foreign minister, and others were present at the welcoming ceremony.

After the ceremony, Premier Li Peng and Prime Minister Morihiro Hosokawa held a friendly conversation. Following that, Li Peng hosted a banquet in honor of Prime Minister Hosokawa and Mrs. Hosokawa.

Prime Minister Hosokawa and his entourage arrived in Beijing around noon today. Chen Jinhua, minister in charge of the State Planning Commission and chairman of the Chinese Reception Committee; Xu Dunxin, Chinese ambassador to Japan; Vice Foreign Minister Tang Jiaxuan; and Japanese Ambassador to China Michihiko Kunihiro greeted him at the airport.

#### Hosokawa Urges Improvement in Human Rights

OW1903134394 Tokyo KYODO in English 1334 GMT 19 Mar 94

[Text] Beijing, March 19 KYODO—Japanese Prime Minister Morihiro Hosokawa, saying human rights are a universally accepted value in the international community, urged China Saturday [19 March] to improve its human rights record.

He made the statement at a welcome banquet hosted by Chinese Premier Li Peng.

Hosokawa arrived in Beijing shortly after noon for a three-day visit to China.

#### Beijing Downplays Hosokawa Statement

OW2003135794 Tokyo KYODO in English 1330 GMT 20 Mar 94

[Text] Beijing, March 20 KYODO—China's Foreign Ministry downplayed Japanese Prime Minister Morihiro Hosokawa's statement urging China to make human rights improvements Saturday [19 March], offering a different version of the comment.

According to Chinese Foreign Ministry spokesman Wu Jianmin, Hosokawa "expressed his view that it is not sensible for Western countries to impose their own values of democracy upon other countries."

"He also pointed out that various countries in the world should make joint efforts to realize the principles and spirit enshrined in the Declaration (on Human Rights)," Wu quoted him as saying.

The prime minister, however, at a press conference Sunday said, "I told him (Li) with the declaration on human rights the international community accepts human rights as a universal issue and each country should make efforts."

"I don't think China has any objections to this view," Hosokawa said.

The statement by Hosokawa came at a welcoming banquet given by Premier Li Peng on Saturday night after Li briefly introduced details of a visit to Beijing by U.S. Secretary of State Warren Christopher earlier this month.

During those talks the United States insisted on the universality of human rights and strongly urged the Chinese to make improvements in the area as a condition to renew China's most-favored-nation trading status.

China, however, refused to accept linkage of human rights conditions to trade and lambasted the U.S. for interfering in China's "internal affairs."

Japan's Foreign Ministry had its own version of the matter, opting to strengthen the prime minister's statement.

"Prime Minister Hosokawa told Mr. Li Peng that the Japanese Government considers that human rights is a universal question," Japanese Foreign Ministry spokesman Kishichiro Amae said. "Each country has to endeavor to respect human rights."

In a related matter, a group of Chinese calling themselves the "Association of Chinese Patriots" sent an open letter



Sunday to Hosokawa urging him to place human rights and democracy on Japan's foreign policy agenda.

### **Spokesman Views Li Peng's Meeting Hosokawa on Human Rights**

*OW2003142094 Beijing XINHUA Domestic Service in Chinese 1305 GMT 20 Mar 94*

[Text] Beijing, 20 Mar (XINHUA)—At today's news conference, Foreign Ministry Spokesman Wu Jianmin briefed correspondents on the Chinese leaders' meeting with Japanese Prime Minister Hosokawa and answered a question about human rights.

A correspondent asked: At the dinner hosted by Premier Li Peng in honor of Prime Minister Hosokawa, did they discuss human rights?

Wu Jianmin responded: At the dinner, on his own initiative Premier Li Peng briefed Hosokawa about U.S. Secretary of State Christopher's visit to China. He quoted Li Peng as saying both the Chinese and U.S. Governments elaborated their respective positions concerning the most-favored-nation trade status, human rights, and other issues. China held that the discussions were useful in helping to increase mutual understanding. Thanking Premier Li Peng for the detailed and all-round briefing, Prime Minister Hosokawa held that it is unwise [bing bu ming zhi 1629 0008 2494 2535] to impose Western concepts of democracy on other countries. Prime Minister Hosokawa said he fully understands Premier Li Peng's viewpoint and position on human rights. Prime Minister Hosokawa recalled that China had played an active role for the adoption of the Vienna Declaration on Human Rights during the World Conference on Human Rights last year. Japan deems it the duty of all countries to work for the realization of the basic principles and guidelines of the declaration.

### **Open Letter Urges Human Rights Pressure**

*OW2003073594 Tokyo KYODO in English 0721 GMT 20 Mar 94*

[Text] Beijing, March 20 KYODO—An open letter made public Sunday [19 March] and addressed to Japanese Prime Minister Morihiro Hosokawa has called on the premier to push the Chinese Government toward more democracy and human rights.

The letter, signed by a previously unheard of group called the Association of Chinese Patriots and sent to Japanese news agencies in Beijing, hails Hosokawa's visit and asks him to continue the efforts started last week by U.S. Secretary of State Warren Christopher on human rights and democracy.

"The Chinese people have long carried in their hearts a bad image of the Japanese Government," the letter said. "This is not only because of the history of the Japanese invasion. But more importantly because all previous Japanese Governments have paid scant attention to democracy and human rights in China."

While blaming Japanese aggressors for killing millions of Chinese 50 years ago, the letter attacks China's "one-party dictatorship" and accuses it of allowing "tens of millions of unlucky Chinese citizens" to perish in a series of disasters brought on by the Communist Party.

"We sincerely hope Your Excellency Morihiro Hosokawa, who was able to end the long-term rule of Japan's Liberal Democratic Party, will also be able to end a Japanese diplomatic history which has paid no attention to human rights and democracy," it said.

During a welcoming banquet at the Great Hall of the People on Saturday, Hosokawa urged China to improve its human rights record, saying the international community recognizes human rights as a universal value.

Hosokawa made the call after Premier Li Peng briefed him about exchanges that took place between Christopher and Chinese leaders over human rights.

The Japanese prime minister, who is currently on a three-day visit to China through Monday, met Li again and then President Jiang Zemin.

### **Premier Hosokawa Opens News Conference With Statement**

*OW2003122094 Tokyo NHK General Television Network in Japanese 0902 GMT 20 Mar 94*

[Statement by Japanese Prime Minister Morihiro Hosokawa at a news conference with foreign and Japanese correspondents at the New Century Hotel in Beijing—live, with passage-by-passage translation into Mandarin]

[Text] [Unidentified Japanese official] I am sorry for keeping you waiting. Please, take your seats. Now we will hold a news conference by Prime Minister Hosokawa. The prime minister will make a statement before fielding questions.

[Hosokawa] I would like to say a few words before fielding questions at this news conference. I am visiting China at the invitation of Premier Li Peng. During a series of meetings with Premier Li Peng, President Jiang Zemin, and other Chinese leaders, I was able to have a candid and significant exchange of views. I had hoped to visit China as soon as possible after I took office and I am very pleased to realize my visit to this country. I would like to express my gratitude to Premier Li Peng and other Chinese officials for warmly greeting me.

I have valued Japan-China relations as one of the most important pillars of Japan's foreign policy. Japan-China relations have entered a new stage after marking the 20th anniversary of the normalization of diplomatic relations and the 15th anniversary of the conclusion of the peace and friendship treaty, and our relations have continued to make good development. As you know, the emperor and empress recently visited China. I had a candid exchange of views with Chinese leaders on how to

develop Japan-China relations, which have entered the new stage, into a future-oriented relationship that will be able to make contributions to the world in the 21st century. I confirmed with Chinese leaders to strengthen cooperative ties between both countries.

I and Chinese leaders touched on many aspects of Japan-China relations. I believe that China's reform and open up policy has been contributing to peace and prosperity not only in China, but in the region, and Japan will provide all possible support to China's efforts. It will provide the fourth yen-based loan and cooperate with China's bid for GATT membership from the standpoint of Japan's intention to assist China's efforts.

During my stay in Beijing, Japan-China accord on cooperation in protecting environment was concluded and I think the conclusion of the accord is very meaningful as a specific indication of bilateral cooperation between the two countries.

Regarding the Japan-China economic relations, both trade and investment have largely expanded between the two countries in the past few years and I think this is a very desirable development and the future of relations between the two countries is bright. We confirmed that both Japan and China will continue to exert efforts for further development of our economic relations.

I and Chinese leaders confirmed the need to promote the exchange of youths and culture between the two countries. In this connection, both Japan and China have cooperated for preserving the Changan Palace in Chengdu, capital of Tang, which was a major city in the history of exchanges between Japan and China.

At the series of meetings, I and Chinese leaders affirmed that Japan and China will cooperate for and make vigorous contributions to the world peace and prosperity. Specifically, I think that I was able to have a candid exchange of views with Chinese leaders on the issue of North Korea's nuclear development, Japan-China cooperation in the Asian and Pacific region, arms control and disarmament, military moves in the region, and human rights. As for the issue of North Korea's nuclear development, during a series of meetings with Chinese leaders, I told them that Japan is deeply concerned over the insufficiency of nuclear inspections by the International Atomic Energy Agency and the failure of North-South working-level talks to reach any agreement. Since this is an important issue related to the security of northeastern Asia, Japan and China share the same [ninshiki] understanding. I believe that we were able to confirm the importance of having close contact with each other for a settlement of this issue.

In my speech to the Diet in August 1993 shortly after I took office, I expressed my feeling from the standpoint of looking at the past as it was. During the series of meetings with Premier Li Peng and President Jiang Zemin, I told them that I intend to further develop a

future-oriented relationship with China from the standpoint of reflecting upon what Japan did to China in the past. I intend to work to develop Japan-China relations in the future.

Although my visit to China is brief, I have been able to witness major changes taking place in China and Chinese people full of confidence, and I am greatly impressed by them during my stay in China. I will stop tomorrow in Shanghai and am looking forward to touring the New Pudong Area that symbolizes China's reform and open up policy.

#### Prime Minister Hosokawa's News Conference

OW2003135294 Tokyo NHK General Television  
Network in Japanese 0917 GMT 20 Mar 94

[News conference by Japanese Prime Minister Morihiro Hosokawa with foreign and Japanese correspondents at the New Century Hotel in Beijing, with passage-by-passage translation into Mandarin—live]

[Text] [Unidentified Japanese official] Please, will the designated correspondents come forth before the microphones and state their names.

[Ono] I am Ono from YOMIURI SHIMBUN. The issue of North Korea's nuclear development was a major item on the agenda of the Japan-China summit talks. The prime minister himself has expressed deep concern over the issue. Prime Minister, you held a series of meetings with Chinese leaders. I would like to ask you how the Chinese leaders view the present situation regarding North Korea's nuclear development, and how China will exercise its influence on North Korea. Prime Minister, you have said that the Japanese Government will deal with the issue of North Korea's nuclear development within the framework of the Constitution. If the issue is referred to the UN Security Council, and the council decides to impose economic sanctions against North Korea, what sort of actions will Japan take?

[Hosokawa] North Korea refused to allow nuclear inspections of certain nuclear sites by the IAEA, and as a result nuclear inspections by the IAEA ended insufficiently; the North-South working-level talks ended with no agreement being reached. I am deeply concerned over this situation. As for economic sanctions against North Korea, I would like to refrain from making any specific comment at this moment. As a general rule, I think if the UN Security Council decides to take some kind of sanctions, Japan for its part will also have to take responsible action. As regards North Korea, China is its most friendly nation, and my understanding is that the role to be played by China is very important and great.

[Aoyama] I am Aoyama from KYODO NEWS SERVICE. Prime Minister, I would like to ask you about human rights in China. Speaking at a welcoming banquet hosted by Premier Li Peng, you stressed human rights as a universal value. I assume you made the remark out of consideration for the positions of both China and the



United States. Since the issue of human rights affects the livelihood of ordinary Chinese people, I would like to ask you to explain the issue of human rights in China in a manner that we can easily understand. I would also like to ask you if China needs to improve its human rights record. Prime Minister, what do you think of China's position regarding the United States' demand for improving human rights in China that it is an intervention of China's internal affairs? Prime Minister, you mentioned human rights in the welcoming banquet hosted by Premier Li Peng, but did not raise the human rights issue in China at the official summit talks. Did you not raise the issue out of some consideration?

[Hosokawa] You asked me about human rights in China. I would like to answer your question by explaining why I mentioned human rights at the banquet yesterday. Our substantial talks began yesterday. From the outset of the banquet yesterday, substantial talks without protocol have already begun. During the substantial talks, human rights in China was raised for discussion.

During the banquet, Premier Li Peng explained to me about what he and U.S. Secretary of State Christopher discussed. In response, I told him that each nation should make its own efforts to deal with the issue of human rights which has universal value, and I do not think China has objection in this respect. You asked about the issue between the United States and China, but I would like to refrain from commenting on it.

You asked if violations of human rights exist in China. I think you asked the question with China's recent detention of dissidents in mind. I also would like to refrain from making any comment about that.

[Shimada] I am Shimada from NHK. I would like to ask you about China's military expenses. ASEAN member nations and other neighboring countries of China are expressing their concerns about continuously growing Chinese defense budget. China is explaining that the inflation and other matters are the causes of the increase. However, some people point out that Japan's economic cooperation will be consequently linked to the expansion of or be used for defense expenses in China. Do you feel that the concerns were dispelled by the series of meetings?

[Hosokawa] The question is about the trend of China's military expansion. Probably, the Chinese military expenses grew due to the current state of its military equipment, inflation rate, and foreign exchange rate. Improvement of military personnel's living standard may be involved in it, too. Replacement of old military equipment was the main cause of the increase. I do not think it will immediately become a threat to Japan. At any rate, the most important thing is that China should make efforts to increase openness of its military programs and this will lead to assuring a sense of security and improving trust in China in the international community. I believe it is very important for China to

disclose its military programs to the rest of the world. In this regard, I believe the Chinese leaders and I share the same understanding.

The reporter, who asked the question, also pointed out that various types of aid from Japan may be used for military expenses. Regarding the economic cooperation, I have candidly explained to the Chinese leaders that in connection with the outline of its recent official development assistance, the Japanese people are increasingly interested in China's increasing defense expenses. I believe that the Chinese leaders understood this point.

[Unidentified Japanese official] Three Japanese reporters have asked questions so far. Now, we will give Chinese reporters a chance to ask questions. Since all the faces look alike, I will ask Japanese reporters not to raise your hands.

[Unidentified Chinese reporter] Earlier, you referred to the Sino-Japanese economic ties. Judging from the recent movement, various European and American businesses are rapidly making inroads into the Chinese markets. Also, China is planning to build five subway systems, three bullet train systems, and the Sanxia dam. What are your views of these projects? Can you explain not as a representative of industries but as a politician. Also, can you tell us what kind of relations do you want to establish with China in the future?

[Hosokawa] I had discussions with Deputy Premier Zhu Rongji during a lunch with him this afternoon. At that time, Deputy Premier Zhu said that economic power of Japanese industries has become weak. Premier Li Peng pointed out the same thing during a dinner last night. I myself felt the same. I frankly told them what I felt when I arrived in Beijing. There are so many Volkswagens in Beijing. I told them that I felt Japanese companies may not be exerting enough efforts to sell Japanese cars in China and that because of that, Japanese companies may need to do some soul searching. Anyhow, I think Japanese companies need to exert efforts.

The amount of trade between Japan and China was about \$37.8 billion dollars last year. This is about three times as much as that of 1972. The amount of Sino-Japanese trade changed significantly each year in the last 10 years. On average, however, it increased by more than 10 percent each year. Amount of bilateral trade will exceed \$70 billion in 2000 and reach \$190 billion in 2010 if the trade between Japan and China continues to grow at the current rate. Deputy Premier Zhu Rongji said today that the amount may become more than that. However, the figures I have just quoted were results of calculations based on the current growth rate. Moreover, the total amount of Japanese investments in China was \$5.170 billion as of the end of September last year. More than third of that amount was invested after 1992. This tells us that the scale of economic relations between the two countries is larger than bilateral ties between any



other countries in the world. I believe that it will be very important for both countries to maintain such large trade relations.

Economic relations between Japan and China have changed from vertical ties [suichoku kankei] of the past to horizontal cooperative ties [suiheiteki kyoryoku kankei]. Both countries' ties with international economy became stronger than before. It is very important for Japan and China to promote cooperation as responsible partners for the world economy. I am confident that the future of economic relations between Japan and China will be bright.

[Reporter] I am Sun Dongmin from RENMIN RIBAO. I would like to ask about relations between China and Japan. The purpose of your visit to China is to foster future-oriented relations between the two countries. It is often said that answering the question on how to handle and perceive historical problems between the two countries is the starting point to establish friendly ties. To establish future-oriented relations, how should the two nations handle historical problems? Or how should they make efforts to resolve them? I would like to ask you about these.

[Hosokawa] When I took office last August, I disclosed my views on historical problems between the two countries in my inaugural speech to Diet. At my meetings with Premier Li Peng and President Jiang Zemin, I said that I will make further efforts to nurture future-oriented bilateral ties on the basis of self-examination of the past history. In response, the Chinese leaders expressed their approval. I am fully aware that Chinese people still have negative feeling. As I said at the outset, I have been talking about this feeling since last year. [Live coverage ends with the news conference in progress]

#### Further on News Conference

OW2003123894 Tokyo KYODO in English 1206 GMT  
20 Mar 94

[Text] Beijing, March 20 KYODO—Japanese Prime Minister Morihiro Hosokawa pledged further economic commitments Sunday [20 March] to support China's liberalization and reforms.

Japan will push forward its already promised loans, support China's membership in an international trade body and take further measures to facilitate investment by Japanese companies, Hosokawa said at a news conference after meeting Chinese leaders.

Hosokawa held separate talks with Premier Li Peng and President Jiang Zemin on the second day of his three-day official visit to China.

"It is important for Japan and China to cooperate as responsible partners in international society," he said, predicting the two nations would realize "an unprecedentedly big" bilateral trade relationship in the world.

Hosokawa renewed his pledge to extend a fourth package of yen-denominated loans.

Hosokawa brushed aside concern that Japan's economic aid might have been used for China's military spending that is recently on the rise.

"I don't think it (higher military outlays) will become an immediate threat," he said.

Hosokawa said Japan's official development assistance is based on stern scrutiny and China's increased defense spending reflected recent high inflation, currency exchange and other technical factors as well as improved living standards for military personnel.

But Hosokawa said he urged China to make its military plans transparent for "international relief."

Hosokawa said Japan will support China becoming a member of the Geneva-based General Agreement on Tariffs and Trade, an international organization to oversee free trade.

Meanwhile, Hosokawa faced criticism from the Chinese press over Japan's low-key, private-level direct investment compared with recent active entry by U.S. and European firms.

Hosokawa said the visit made him recognize that Japan "lacked efforts."

"I just wondered why Volkswagen cars were notable on the streets in Beijing," Hosokawa said.

But he said trade between Japan and China has increased steadily at an average annual pace of 10 percent.

Last year, Japan-China trade totaled 37.8 trillion dollars, jumping 33 times over the level in 1972, when the two countries restored diplomatic ties, Hosokawa said.

He said bilateral trade is expected to reach 70 billion dollars in 2000 and 190 billion dollars in 2010.

Hosokawa said President Jiang also showed a stronger outlook for bilateral trade.

#### Hosokawa on DPRK's Nuclear Problem

OW2003124894 Tokyo KYODO in English 1204 GMT  
20 Mar 94

[By Miu Oikawa Dieter]

[Text] Beijing, March 20 KYODO—Japanese Prime Minister Morihiro Hosokawa reiterated strong concern Sunday [20 March] about North Korea's suspected development of nuclear weapons, saying Japan plans to take "responsible" action if the matter is brought to the U.N. Security Council.

Hosokawa told a news conference he expressed "strong concern" in talks with Chinese leaders that the inspections by the International Atomic Energy Agency ended insufficiently and the dialogue between Seoul and Pyongyang failed.

He refused to comment on specific actions Japan will take if the issue is brought to the Security Council.

"But generally speaking, if some kind of action is decided at the U.N. Security Council, Japan will consider a responsible way to cope," Hosokawa said.

He said China plays an important role because it has deep relations with North Korea and he strongly urged the Chinese Government during talks with the Chinese leaders to play a major role in solving the North Korean nuclear problem.

Hosokawa, currently on a three-day visit to China which started Saturday, held talks with President Jiang Zemin and Premier Li Peng prior to the press conference at the Beijing New Century Hotel.

He said he could have "frank discussions" with the Chinese leaders on issues such as North Korea's suspected development of nuclear weapons, Japan-China cooperation in the Asia-Pacific region, disarmament, arms control and human rights.

Hosokawa said he wants to build future-oriented relations with China based on Japan's remorse for its war-time actions.

In talks with Li earlier in the day, Hosokawa referred to his policy speech in August in which he expressed "deep remorse and apologies for the fact that past Japanese actions, including aggression and colonial rule, caused unbearable suffering and sorrow for so many people."

Li welcomed Hosokawa's remarks, telling him it was the "most frank and sincere attitude" he has ever heard, according to Japanese officials.

The prime minister told the news conference he agreed with the Chinese leaders that the two nations will make efforts to further develop economic and diplomatic relations between the two sides.

Hosokawa said he did not think the Chinese leaders have "objections" to his view that human rights are a "universal value recognized by the international community."

He declined to comment, though, on a row between China and the United States over China's human rights record.

U.S. Secretary of State Warren Christopher, who visited China earlier this month, urged China to improve its human rights record as a condition for extending most-favored-nation trade status with Beijing.

Hosokawa also declined to comment on specifics, such as the treatment of pro-democracy activists.

In talks with Li on Saturday, Hosokawa called for improvement in China's human rights record by referring to a declaration adopted at an international conference on human rights held last June in Vienna.

The declaration notes that promotion and protection of human rights are legitimate items for concern for the international community.

# **Japanese Prime Minister Hosokawa Discusses Visit**

OW2003144594 Beijing XINHUA in English  
1436 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa said here today that Japan will develop its relations with China with an eye on the future and on contributions to the world.

He made the remarks at a press conference here this afternoon.

During his current visit, he said, he exchanged views with Chinese leaders frankly and meaningfully.

Hosokawa said that he has always regarded Japan-China relations as one of the most important pillars of Japan's relations with foreign countries and have attached great importance to them.

He described the bilateral relations as having entered a new period of development.

He said the two countries have developed their relations very well.

"China's reform and opening policy is of great significance not only to China itself, but also to peace and prosperity in this region," he said, "so we should support it as far as possible."

The two countries will continue their cooperation on the fourth batch of loans offered by Japan to China and on the restoration of China's status as a signatory party to the General Agreement on Tariffs and Trade, Hosokawa said.

The signing of the agreement on environmental protection cooperation between the two countries during the visit is a concrete move to strengthen the bilateral cooperation in this area, he noted.

Recent years have witnessed great expansion of the bilateral trade and Japanese investment in China, said the Japanese prime minister, adding that he was pleased to see the broad prospects for further development in the economic relations and trade between the two countries.

The prime minister said that the two sides reaffirmed the necessity to expand cooperation in culture. He said that the two sides have decided to cooperate in protecting the Kaiyuan Palace, a famous ancient Chinese building

constructed in the capital of Tang Dynasty, Changan city (now Xian city, capital of northwest China's Shaanxi Province).

Hosokawa said that the two sides have agreed to further their cooperation in order to make positive contributions to world peace and prosperity.

The leaders of two countries also frankly exchanged views on the nuclear issue of the Democratic Republic of Korea (DPRK), cooperation in the Asia-Pacific region, military budgets and disarmament and human rights, he said.

Hosokawa said that Japan and China shared the view that the DPRK nuclear issue is an important one that concerns the safety of northeast Asia and the two sides promised to keep close contacts with each other in order to solve the problem.

The Japanese prime minister reaffirmed Japanese serious attitude toward history, saying that Japan will make greater efforts to develop Japan-China relations with an eye on the future on the basis of introspection of the past.

He said that he saw with his own eyes the great changes that have taken place in China and that he was deeply impressed with the confidence of the Chinese people in the future.

#### **Japanese Prime Minister Hosokawa Leaves for Shanghai 21 Mar**

*OW2103020594 Tokyo KYODO in English 0136 GMT 21 Mar 94*

[Text] Beijing, March 21 KYODO—Japanese Prime Minister Morihiro Hosokawa left Beijing Monday morning [21 March] for Shanghai as part of his three-day visit to China.

In Shanghai, he will tour the city's economic development region and attend a luncheon meeting to be hosted by Mayor Huang Ju.

Hosokawa is the first Japanese premier to visit Shanghai since 1988 when then Prime Minister Noboru Takeshita went there.

He will return to Tokyo Monday evening.

#### **Arrives in Shanghai**

*OW2103040394 Tokyo KYODO in English 0339 GMT 21 Mar 94*

[Text] Beijing, March 21 KYODO—Japanese Prime Minister Morihiro Hosokawa arrived in Shanghai Monday morning [21 March] to see China's bustling economic region before capping his three-day visit.

He will tour the Jinqiao export processing district in the Pudong area and see the Yangpu Bridge before attending a luncheon meeting to be hosted by Mayor Huang Ju.

Hosokawa is the first Japanese premier to visit Shanghai since 1988 when then Prime Minister Noboru Takeshita went there.

He will return to Tokyo Monday evening.

#### **Hosokawa Departs Shanghai**

*OW2103112094 Beijing XINHUA in English 1112 GMT 21 Mar 94*

[Text] Shanghai, March 21 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa, concluding his official China visit, left here for home by special plane this afternoon.

Before departure, the prime minister said that both Japan and China should further enhance friendly cooperation, adding that the expansion of economic cooperation between the two countries would push forward the world economy.

He noted that China plays an important role in the development of the world economy.

Hosokawa said that although his China tour was short, he had been impressed by the country's booming economic development.

He expressed the belief that more Japanese entrepreneurs would invest in China.

Among those seeing Hosokawa off at the airport were Chen Jinhua, chairman of the Chinese Government Reception Committee and minister in charge of the State Planning Commission, and Huang Ju, mayor of Shanghai.

This morning, Hosokawa and his party toured the Yangpu and Nanpu Bridges in Shanghai and the Pudong New Area, an economic development zone in the eastern part of the city, where he hoped more Japanese investment would be engaged.

The mayor of Shanghai hosted a luncheon in honor of Hosokawa and his party.

#### **Japanese Prime Minister Returns Home**

*OW2103152294 Beijing XINHUA in English 1505 GMT 21 Mar 94*

[Text] Tokyo, March 21 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa returned home today after a three-day visit to China for talks with Chinese leader on bilateral and international issues.

During his stay in China, Hosokawa held separate talks with Chinese President Jiang Zemin and Premier Li Peng on fostering future-oriented and friendly relations between the two countries.

The visit, which came at a time when Sino-Japanese ties have entered a new stage, will undoubtedly boost the existing political and economic cooperation between China and Japan.



## Reparation Demanders Protest at Japanese Embassy in Beijing

HK1903052894 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Mar 94 pp 1, 7

[By John Kohut]

[Text] Chinese police defused a potentially explosive protest yesterday by detaining more than 100, mainly elderly people, as they attempted to demonstrate against Japan on the eve of Prime Minister Morihiro Hosokawa's arrival in Beijing today, according to witnesses and sources close to the protest. Scores of elderly people, some in their 80s, seeking reparation for Japan's occupation of China during the 1930s and 1940s, began descending upon the Japanese embassy in Beijing just after it opened yesterday morning.

The authorities had apparently been tipped off about the protest and surrounded the embassy with about three dozen uniformed policemen and several times that many plain-clothes police.

Protesters from across the country were supposed to converge on the embassy at 10 am, but they started arriving much earlier and were bundled off into jeeps and taken to a police station near the embassy, according to the sources. They said some 300 petitioners appeared at the embassy and more than 100 were taken away by police. Some of the protesters detained were carrying letters addressed to Prime Minister Hosokawa.

Gao Minke, 82, who works in a hospital in southern China, wrote in a protest letter that Japan should apologise for war crimes and compensate relatives of the victims. Mr Gao, who was detained, said he lost more than 10 relatives at the hands of Japanese soldiers in a rural part of Jiangsu Province in 1938. An estimated 10 million Chinese died during the occupation.

Others tried to deliver copies of a letter signed by the Preparatory Committee of Chinese Civilians Seeking Reparations from Japan saying "problems left over by Japan's war of aggression have not been solved". "We representing 500,000 living sufferers and relatives of the dead victims, resolutely request that you give a formal apology to the Chinese people and a definite reply to the reparation demands of the Chinese civilian victims," the letter to Mr Hosokawa said.

Police also intercepted more than 100 protesters at a train station in the southern part of the city, the sources said.

Tong Zeng, a researcher in his 30s who has been one of those behind the movement for Chinese civilians to get billions of dollars in war reparations, was reportedly taken into custody yesterday. When contacted last night, his family said: "He is out and will be away for a few days ... They have taken him away."

Those detained came from as far afield as Hubei, Jiangsu, and Zhejiang in the south and Liaoning Province in the northeast. Most were in their 60s and 70s. It was not clear whether they were still being held last night. "They didn't really understand why they were detained. They thought, they were just delivering a letter and expressing their opinion. It's totally legal," said a source close to the protest.

Diplomats inside the embassy said they were unaware of the protesters' presence.

China gave up all claims to war reparations from Japan when the two countries established diplomatic relations in 1972. Still many ordinary Chinese believe their government was wrong to do so. During this session of the National People's Congress, 32 representatives from the province of Hubei presented a war reparation proposal to the motions department of the rubber-stamp parliament calling for a Japanese apology and reparations. The delegates argue that while their government has given up its rights to reparations, there is nothing in any accord with Japan which rules out civilian compensation. The delegates and followers of the preparatory reparations committee demand US\$180 billion in compensation.

Mr Hosokawa is expected to meet Prime Minister Li Peng today, and President Jiang Zemin and Vice Premier Zhu Rongji tomorrow.

## Intellectuals Demand Release of Compensation Activists

OW2103113694 Tokyo KYODO in English 1101 GMT  
21 Mar 94

[Text] Beijing, March 21 KYODO—A group of 500 Chinese intellectuals sent an open letter to the ongoing National People's Congress (NPC) on Monday [21 March] demanding the release of war compensation activists detained by Chinese security authorities.

The letter says more than 100 victims of Japanese aggression during World War II were detained Friday in front of the Japanese Embassy in Beijing, a day before Prime Minister Morihiro Hosokawa arrived in China for a three-day official visit.

"According to eye witnesses, there were no marches, demonstrations, petitions, sit-ins, shouting or similar disturbances. On the contrary, they expressed themselves peacefully and had an orderly attitude," said the letter, describing the activists.

"All were crippled after receiving injuries and being forced to labor for the Japanese Army during the time of the Japanese invasion," it said. "The oldest is 85 and the youngest is 56."

The letter also called for the release of Tong Zeng, a leader of the compensation movement, who since 1992 has received support from NPC delegates on the matter of demanding compensation from the Japanese Government, it said.

Sources close to the movement said the 100 elderly activists were released and sent home Sunday evening, but that Tong's whereabouts were still unknown.

Tong's wife also made inquiries into her husband's whereabouts, but was told by police that nothing was known of his case, the sources said.

Police took Tong from his home Friday morning after he refused to follow orders of his work unit to leave Beijing during the Hosokawa visit, they said.

A group of 32 NPC delegates at the ongoing session of the NPC, China's legislature, earlier filed a motion demanding compensation for civilian victims of the war from Japan and a formal apology by Hosokawa, but the motion has reportedly been shelved by central authorities.

Informed sources said the Movement for War Compensation is potentially huge as elderly Chinese still harbor rage at the Chinese Government's agreement to give up demands for war reparations from Japan as stated in the 1972 Sino-Japanese joint communique which restored diplomatic ties between the two countries.

Police have singled out Tong because of a letter, forged with Tong's signature and sent to thousands of victims calling them to come to Beijing during Hosokawa's visit, one source said.

The one-page letter, which also urges the NPC to make security departments apologize, is accompanied by seven pages of names of mostly elderly Chinese intellectuals.

"The play in front of the Japanese Embassy and acted out by public security organs was utterly outrageous, ridiculous and lamentable," the letter said. "This is very incomprehensible and has left us outraged."

#### Beijing Frees Protesters

*OW2103015594 Tokyo KYODO in English 0122 GMT 21 Mar 94*

[Text] Beijing, March 21 KYODO—China's Public Security Bureau released more than 100 Chinese protesters late Sunday night [20 March] after detaining them for two days for demanding war compensation from Japanese Prime Minister Morihiro Hosokawa, informed sources said Monday.

The protesters, including now elderly victims of Japan's wartime aggression, were taken into custody Friday on the eve of Hosokawa's arrival in Beijing for an official visit to China.

Many of the elderly came to the Chinese capital by train from Hebei and Jiangsu Provinces, the sources said, adding they will be turned over to the Beijing offices of their home provinces.

The sources said Tong Zeng, leader of the unofficial victims of Japanese War Crimes Reparations Committee, was still in police custody Sunday. He was arrested Friday morning.

They said a petition drive to win Tong's freedom is under way among Chinese intellectuals in Beijing.

In a welcoming banquet speech on Saturday, Prime Minister Hosokawa called on China to improve its human rights record, saying human rights are a universally accepted value.

The Chinese Government has been sensitive about demanding war compensation for civilian casualties from Japan reportedly because it is afraid it could damage favorable official ties that include as much as 1.2 trillion yen in loans.

#### Dissident Detained as Hosokawa Visits Shanghai

*HK2103081094 Hong Kong AFP in English 0754 GMT 21 March 94*

[Text] Beijing, March 21 (AFP)—Chinese dissident Bao Ge was detained for questioning Monday in Shanghai just after Japanese Prime Minister Morihiro Hosokawa arrived there.

Bao, 31, had recently written a letter asking Japan to apologize and pay war reparations for crimes committed during the 1937-1945 Sino-Japanese War. Bao was detained at about 10 a.m. (0200 GMT) by several police officers when he left his home, a close associate said. He had been under constant surveillance for three days, since Hosokawa arrived in China, the source said.

A resident of Shanghai, Bao fought for years for war reparations from Japan and has already been to prison several times for this reason. He is also a democracy movement activist. Last Thursday, he published a letter in which he directly addressed the Japanese prime minister, asking him to apologize and to pay war reparations.

On Friday, several elderly Chinese were detained for questioning when they tried to protest in front of the Japanese embassy in Beijing.

Hosokawa ended his visit to China Monday in Shanghai. During the visit, he recalled that he had, at the time he took office last August, apologized for the crimes committed by the Imperial Japanese Army in China. China officially gave up its demands for war reparations in 1972.

#### Eighth Inter-Korean Contact Breaks Down

*OW1903092094 Beijing XINHUA in English 0843 GMT 19 Mar 94*

[Text] Pyongyang, March 19 (XINHUA)—The eighth working-level contact between the Democratic People's Republic of Korea (DPRK) and South Korea closed unfruitfully at Panmunjom today, without setting a date for the next round of contact.

The eighth contact held at the truce village was designed to arrange for inter-Korea exchange of special envoys, but it only lasted for one hour, the shortest of the eight contacts made thus far.

Pak Yong-su, head of the DPRK delegation, told reporters after the talks ended that the major cause leading the contact to failure was the south's "sudden change in its attitude".

The south side declared that it would "take a strong position" against the north, restore the suspended Team Spirit '94 joint military exercises with the United States, advance with its plan on the deployment of "Patriot" missiles in the south, and take part in international sanctions against the DPRK, Pak said.

This showed that the south side did not intend to realize an inter-Korean exchange of envoys, the chief DPRK negotiator said.

He added that the north side had demanded the south change its tough position, but had received no response.

#### **DPRK, ROK Exchange Accusations**

*OW1903145194 Beijing XINHUA in English  
1430 GMT 19 Mar 94*

[Text] Panmunjom, March 19 (XINHUA)—Pyongyang and Seoul exchanged accusations today over the collapse of inter-Korea talks, each side urging the other to change positions.

The eighth working-level contact between the Democratic People's Republic of Korea (DPRK) and South Korea broke down at the truce village of Panmunjom, deadlocking the planned inter-Korea exchange of special envoys.

Pak Yong-su, head of the DPRK delegation, told reporters after the one-hour meeting that the collapse occurred because of a "sudden change" in South Korea's position.

The south would "take a strong position" against the north, restore suspended joint military exercises with the United States, go ahead with its plan to deploy "patriot" missiles in the south, and take part in international sanctions against the DPRK, Pak said.

Chief South Korean negotiator Song Yong-tae accused the north of blocking the exchange of special envoys, warning that if the nuclear issue remains unsettled, Pyongyang would face "unpredictable consequences."

However, his North Korean counterpart denied the charges, saying his country was ready to respond to either dialogue or war.

Each side called on the other to soften its tough stand, but no date was set for the next round of talks.

South Korean Deputy Premier and Minister of National Unification Yi Yong-tok issued a statement this afternoon expressing his disappointment over the failure of the talks.

Seoul will cooperate closely with the international community in seeking a solution to the problem arising from the suspected North Korean nuclear weapons development program, Yi said.

He added that there was no change in South Korea's position on finding a peaceful solution to this problem through dialogue, and hoped that the north will return to the negotiating table as soon as possible.

#### **DPRK Refuses To Attend Geneva Talks With U.S.**

*OW2103105794 Beijing XINHUA in English  
1043 GMT 21 Mar 94*

[Text] Pyongyang, March 21 (XINHUA)—The Democratic People's Republic of Korea (DPRK) said today it will not send a delegation to Geneva for the third round of U.S.-DPRK high-level talks because of the U.S. violations of their New York agreement.

A Foreign Ministry spokesman said in a statement that DPRK had honestly fulfilled its obligations by receiving the inspection group of International Atomic Energy Agency (IAEA) and providing all conditions for their inspections.

The DPRK has also held several rounds of working contacts with South Korea on an early exchange of envoys.

However, the statement said, the United States has fulfilled none of its obligations specified in the New York agreement reached on February 25.

The United States has threatened to resume the "Team Spirit" joint military exercises with South Korea in 1994 if the DPRK refuses more nuclear inspections and envoy exchange. In addition, the U.S. will not attend the Geneva talks and will present the nuclear issue to the United Nations Security Council.

The statement accused the United States of trying to isolate and stifle the DPRK through the Geneva talks.

The statement added that under such circumstances, the DPRK will neither regard it as its obligation to ensure the continuity of nuclear safety nor send a delegation to the Geneva talks.

The statement said if the United States continues to exercise power politics and exert pressure on DPRK, DPRK will have no alternative but finally withdraw from the Nuclear Nonproliferation Treaty (NPT).



**Foreign Ministry Spokesman Views Rice Exports to Japan**

*OW2003135394 Beijing XINHUA in English  
1340 GMT 20 Mar 94*

[Text] Beijing, March 20 (XINHUA)—A Chinese Foreign Ministry Spokesman Wu Jianmin said here today that it was impossible for the rice exported to Japan to go moldy before shipment.

Wu made the remarks when asked to comment on a report in the Japanese media that China exported moldy rice to Japan.

He said that the Chinese State Administration for the Inspection of Import and Export Commodities had re-examined the samples of the rice exported to Japan before shipment and established that there was nothing wrong.

The spokesman noted that officials from the Japanese Ministry of Agriculture and Fisheries also admitted that the responsibility of the rice going moldy was not on the Chinese side and that the Japanese press reports had over-exaggerated the incident.

## Political & Social

### Second Session of CPPCC National Committee Concludes 19 Mar

OW1903222994 Beijing XINHUA Domestic Service in Chinese 1057 GMT 19 Mar 94

[Excerpts] Beijing, 19 March (XINHUA)—The Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] came to a successful conclusion this evening after completing all the items on its agenda.

Addressing the closing session, Li Ruihuan, chairman of the CPPCC National Committee, said that the overall task for the entire nation this year is to seize the opportunity, deepen reform, open up wider, promote development, and maintain stability. Work in all quarters and all sectors must be subordinated and serve this overall task. The CPPCC must find its proper place in this overall task, give full play to its strong points, and make even greater contributions.

Wu Xueqian, vice chairman of the CPPCC National Committee, presided over the session. Seated on the front rows of the rostrum were Vice Chairmen Ye Xuanping, Wang Zhaoguo, Yang Rudai, Hong Xuezhi, Seypidin Aze, Qian Weichang, Zhao Puchu, Qian Zhengying, Hu Sheng, Ding Guangxun, Su Buqing, Sun Fuling, Dong Yinchu, Henry Fok Ying-tung, Ann Tse-kai, and Ma Man Kei [Beijing XINHUA Domestic Service in Chinese at 1306 GMT on 19 March transmits a correction to this item changing the order of the names as follows: Ye Xuanping, Yang Rudai, Wang Zhaoguo, Seypidin Aze, Hong Xuezhi, Zhao Puchu, Qian Weichang, Hu Sheng, Qian Zhengying, Su Buqing, Ding Guangxun, Dong Yinchu, Sun Fuling, Ann Tse-kai, Henry Fok Ying-tung, and Ma Man Kei].

Party and state leaders including Jiang Zemin, Li Peng, Qiao Shi, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren were seated on the rostrum.

Wu Xueqian announced at the start of the session that of the 2,097 members of the Eighth CPPCC National Committee, 1,964 reported to the session and 1,762 were present, making a quorum. [passage omitted]

Also present at today's session were Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Yang Baibing, Zou Jiahua, Qian Qichen, Wei Jianxing, Wen Jiabao, Wang Hanbin, Zhang Zhen, Ren Jianxin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, Wu Jieping, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Amat Amat, Peng Peiyun, Luo Gan, and Zhang Siqing.

The session closed at 1605 [0805 GMT] amid the strains of the PRC anthem.

### CPPCC Session Resolution on Standing Committee Work Report

OW1903114994 Beijing XINHUA Domestic Service in Chinese 0915 GMT 19 Mar 94

[Apparent text of the "Resolution of the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) on Its Standing Committee's Work Report—Adopted at the Second Session of the Eighth CPPCC National Committee on 19 March 1994"]

[Text] Beijing, 19 March (XINHUA)—The Second Session of the Eighth CPPCC National Committee agrees with the work report made by Vice Chairman Ye Xuanping on behalf of the Standing Committee. This session holds that the Standing Committee has, over the past year, closely revolved around the state's central task to conduct political consultations and democratic supervision, as well as organize participation in and discussions on political affairs, making fresh progress in various work and bringing about an even more lively and dynamic situation. This session approves of the Standing Committee's work. This session agrees with the basic policies and arrangements put forward by the Standing Committee for this year's work, and calls on the committee to earnestly organize their implementation and to try hard to accomplish the various tasks put forward at this session.

### CPPCC Session Approves Li Peng's Government Work Report

OW1903080094 Beijing XINHUA in English 0750 GMT 19 Mar 94

[Text] Beijing, March 19 (XINHUA)—The Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) today approved the government work report delivered by Premier Li Peng.

A political resolution of the session adopted today affirms the "great achievements" the Chinese people have scored over the past year in reforms, opening up and the modernization program.

According to the resolution, the principles for various kinds of work and tasks in China spelled out in the report are "practical and inspiring."

It says that CPPCC National Committee members voiced their concern over a number of prominent problems, such as the overextended scale of investment in fixed assets, high price rises, a weak agricultural base, difficulties faced by some major state-owned enterprises, corruption and poor social order in some localities.

"We hope that the government will take effective measures to solve these problems promptly," the resolution says.

It points out that the reunification of China in accordance with the principle of "peaceful reunification and one country, two systems" reflects the common aspiration of the Chinese nation, including Taiwan, Hong Kong and Macao compatriots and overseas Chinese.

It says that all parties, people's organizations and people of various nationalities and from all walks of life who have joined CPPCC express full support to the Chinese Government for its preparatory work to ensure a successful transfer of sovereignty and smooth transition in Hong Kong and Macao, in accordance with the Basic Law of the Hong Kong Special Administrative Region, the Basic Law of the Macao Special Administrative Region and relevant resolutions of the National People's Congress Standing Committee.

They all resolutely support the solemn and just stand of the Chinese Government to resume exercising China's sovereignty over Hong Kong on schedule and to ensure the long-term stability and prosperity of Hong Kong, the resolution says.

The session resolutely opposes any attempt and move to split the motherland and hopes that differences across the Taiwan Straits will be resolved by adhering to the principle of one China and through increased contacts and consultations.

The session places hopes on the Taiwan authorities and, to a greater extent, on the Taiwan people.

The central task for China in 1994 is to seize development opportunities, deepen reforms, open the country wider to the outside world, promote development and maintain stability, the resolution says.

All kinds of CPPCC work must comply with and serve this task, it says.

The resolution calls on participating units and organizations at all levels, as well all members of the CPPCC, to make political consultations and supervision a success, and actively participate in managing and discussing state affairs in order to make fresh contributions to China's modernization and peaceful reunification.

### **CPPCC Session Adopts Amendment to CPPCC Constitution**

*OW1903081794 Beijing XINHUA in English  
0804 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—An amendment to the Constitution of the Chinese People's Political Consultative Conference (CPPCC) was adopted today at a meeting of the Second Session of the Eighth CPPCC National Committee.

The guiding principle governing the amendment of the CPPCC Constitution is to highlight the theory of building socialism with Chinese characteristics, basic policies for China's current primary stage of socialism,

and the multi-party cooperation and political consultation system under the leadership of the Communist Party of China (CPC).

The amended constitution contains some important additions, which include: "the Constitution (of China) stipulates: the multi-party cooperation and political consultation system under the CPC leadership will exist and develop for a long time to come" and "the CPPCC is an important body for multi-party cooperation and political consultation under the CPC leadership."

The second addition above has been incorporated into an amendment to China's Constitution adopted by the National People's Congress last year.

The amended CPPCC Constitution also provides for major duties and functions of CPPCC organizations, as well as the forms and procedures of political consultation and supervision.

The amendment says that the CPPCC's main functions are to engage in political consultation and exercise democratic supervision, and organize participating parties, people's organizations and persons of various nationalities and from all walks of life to participate in running and discussing state affairs.

Political consultation means holding consultations on state and local policies and principles, as well as on major issues in political, economic, cultural and social life, before relevant policy decisions are made and in the course of implementing such decisions.

In line with proposals by the CPC, the Standing Committee of the National People's Congress, governments, democratic parties and people's organizations, the CPPCC National Committee and local committees may hold meetings for such consultations to be attended by leaders of various parties and people's organizations, as well as people from all nationalities and social sectors.

Democratic supervision means the exercise of supervision, by making proposals and criticisms, over the implementation of China's Constitution, laws, regulations, and major policies and principles, as well as the work of government departments and workers.

The amended constitution also adds stipulations on the rights and obligations of CPPCC organizations and members.

It notes that CPPCC participating units and individuals have the right to expose and investigate acts violating laws and disciplines, and may, through proposals and other forms, make proposals to and criticisms of government departments and other relevant organizations.

Added to the amended CPPCC Constitution is also the phrase "Hong Kong and Macao compatriots should be encouraged to contribute to the maintenance of prosperity and stability in Hong Kong and Macao" and to the development and reunification of the motherland.



The amended CPPCC Constitution comes into force as of today.

### **CPPCC National Committee Receives 1,893 Proposals**

*OW1903082394 Beijing XINHUA in English  
0806 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—The 12-day session of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) has received 1,893 proposals from attending members.

According to a report released by the Proposal-Handling Subcommittee of the CPPCC National Committee, the proposals were filed by 1,413 members of the National Committee, 67.4 percent of the total.

The subcommittee has carefully examined all the proposals and chose 1,851 for further handling, 97.8 of the total. Proposals on economic issues make up 39.2 percent of the total.

There are 42 proposals which the subcommittee deems unfit as formal proposals. The subcommittee has treated them as letters after consultation with proposal makers.

The proposals are about issues that people are concerned about, including macro-economic controls, establishment of a socialist market economy, inflation, tax system, science, education, medical service, public health, anti-corruption, social security and peaceful reunification of China.

The Proposal-Handling Subcommittee will send the proposals to relevant departments under the central government and the Central Committee of the Communist Party of China for handling.

According to the subcommittee's report, ten of the proposals that require urgent treatment have already been properly handled during the session.

### **XINHUA Carries 'Text' of CPPCC Political Resolution**

*OW1903133094 Beijing XINHUA Domestic Service in Chinese 0930 GMT 19 Mar 94*

["Text" of "Political Resolution of the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC]" adopted at the Second Session of the Eighth National CPPCC Committee on 19 March 1994]

[Text] Beijing, 19 Mar (XINHUA)—The Second Session of the Eighth National CPPCC Committee approved the government work report delivered by Premier Li Peng, the report on the implementation of the 1993 National Economic and Social Development Plan and the draft plan for 1994, the report on the implementation of the 1993 state budget and the draft budget for 1994, and the work reports of the Supreme People's Court and the

Supreme People's Procuratorate. The session noted: Over the past year, people of various nationalities in our country have fully implemented the guidelines of the 14th CPC National Congress and have triumphantly advanced along the path of building socialism with Chinese characteristics. Our country has enjoyed economic development, political stability, national unity, and social progress, achieving significant results in reform, opening up, and socialist modernization as well as creating new prospects in all fields of work. The government work report realistically summed up the work carried out by the government over the past year. The basic principles guiding the work in 1994, and the various key tasks outlined in the government work report, are feasible and inspiring. CPPCC members who attended the session expressed concern about some current salient contradictions and problems such as the overextended scale of investment in fixed assets, substantial price increases, the relatively weak status of agriculture as the foundation of the national economy, production and management difficulties in some state-owned large and medium enterprises, problems that merit attention in spiritual civilization, various corrupt practices, and the poor state of public order in some localities. They enthusiastically offered their opinions and suggestions, and expressed the hope the government would take strong measures to solve them in earnest.

The session noted: Realizing the great cause of reuniting the motherland in accordance with the principles of "peaceful reunification and one country, two systems" represents the common aspiration of all Chinese people, including the compatriots in Taiwan, Hong Kong, and Macao as well as Chinese nationals residing abroad. People from various parties and mass organizations attending the CPPCC session, as well as people of all nationalities and from all circles, firmly support the various preparations made by our government to ensure a smooth change of government and a smooth transition in Hong Kong and Macao in accordance with the basic laws of the Hong Kong and Macao Special Administrative Regions and with the relevant resolutions made by the NPC and its Standing Committee. They also firmly support our government's solemn stand on resuming the exercise of sovereignty over Hong Kong on schedule, and on maintaining Hong Kong's long-term stability and prosperity. The session firmly opposed all attempts at or actions of splitting the motherland, expressing the hope that differences between the two sides of the Taiwan Strait would be solved through increased contacts and consultation in accordance with the principle of one China. We pin our hopes on the Taiwan authorities, especially on the people of Taiwan.

The session maintained: 1994 is vitally important for our country's advancement of reform, opening up, and socialist modernization. We must steadfastly follow the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the CPC's basic line; fully implement the guidelines of the 14th CPC National Congress and the Third Plenary

Session of the 14th CPC Central Committee; expedite the pace of building a socialist market economic structure; and maintain sustained, rapid, and healthy development in the national economy. We must also strengthen democracy, the legal system, and socialist spiritual civilization; maintain political stability; and promote overall social progress. The overall task of the entire country is to seize the opportunity, deepen reform, open up wider, promote development, and maintain stability. All kinds of work in people's consultation should submit to and serve this overall task.

The session urged: All units involved in people's consultation, CPPCC organizations at all levels, and CPPCC members should raise the banner of patriotism and socialism and follow the principles of "long-term coexistence, mutual supervision, treating each other with all sincerity as well as sharing weal and woe." They should earnestly implement the guidelines of the current session, conscientiously improve people's consultation and democratic supervision while taking economic construction as the central task; actively participate in the administration and discussion of state affairs; and keep forging ahead in an uplifted, pioneering, and arduous spirit so as to make fresh contributions to socialist modernization and the peaceful reunification of the motherland.

#### **Li Ruihuan, Other Leaders Attend Closing of CPPCC Session**

*OW1903084994 Beijing XINHUA in English  
0841 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—The 12-day Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) ended here today after adopting a resolution calling for CPPCC work to better serve the general task of the Chinese Communist Party and the government.

The resolution calls on CPPCC organizations at various levels to take an active part in political consultations and democratic supervision, involve themselves in the discussion and management of state affairs, and make new contributions to the country's modernization and the peaceful reunification of the country.

All kinds of work of the CPPCC, the resolution says, should be subordinate to and serve the country's general task of "seizing development opportunities, deepening reform, opening China wider to the outside world, promoting development and maintaining stability."

Present at the closing meeting were Li Ruihuan, chairman of the CPPCC National Committee, vice chairmen of the committee, as well as party and government leaders Jiang Zemin, Li Peng, Qiao Shi, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren.

The meeting was presided over by Wu Xueqian, vice chairman of the CPPCC National Committee and was attended by 1,762 members of the CPPCC National Committee. The meeting elected two new vice chairmen,

seven new Standing Committee members and a new secretary-general for the current National Committee.

The two new vice chairmen are Zhu Guangya, president of the Chinese Association of Science and Technology, and Wan Guoquan, vice chairman of the China Democratic National Construction Association. Zhu Xun, minister of geology and mineral resources, was elected the new secretary-general.

The session expressed satisfaction over the work of the CPPCC National Committee in the past year, approved its work arrangements for this year, and adopted a revised constitution of the CPPCC, which takes effect as of today.

The session received 1,893 proposals, of which 1,851 will be delivered to relevant party and government departments for handling.

In his closing speech, Li Ruihuan said CPPCC should improve the system of multi-party cooperation and political consultation, which is the main form of China's socialist democracy, and make it more effective.

He said publicly-acknowledged practices and experiences that are of universal significance and embody the principle of people being masters of the country should be incorporated in China's political system by legal means so that they become commonly-abided rules in the political life of the society.

A fairly complete legal system should be established in China, he said. This is to make sure that systems and laws do not change with changes of leadership or with changes in the views and attention of leaders, he said.

#### **Li Ruihuan Urges Efforts To Promote Progress in Democracy**

*OW1903091894 Beijing XINHUA in English  
0909 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—Li Ruihuan, a top Chinese leader, said today it is both necessary and possible to promote progress in socialist democracy vigorously and steadily.

Addressing the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) that closed here today, Li said developing socialist democracy is an important part of building socialism with Chinese characteristics.

It is also a common task for the Communist Party of China (CPC) and various democratic parties, and constitutes a prerequisite for stepping up China's economic construction and restructuring, said Li, chairman of the CPPCC National Committee.

"Without democracy, it would be impossible to fully arouse people's initiative or realize broad-based unity; and without democracy, there would be neither socialism nor socialist modernization," he said.



Li, who is also a Standing Committee member of the Political Bureau of the CPC Central Committee, noted that as democracy is historical, specific and relative, it will be certainly subject to restraints by economic, political and economic factors in society.

Therefore, progress in democracy cannot deviate from the reality or transcend historical stages, he added.

Seeking democracy by neglecting specific conditions will not only make it impossible to achieve the objective of developing democracy, but also produce adverse effects on economic growth and social stability, he said.

According to Li Ruihuan, China is currently deepening reforms and establishing a socialist market economic structure, while the people are steadily improving their cultural standards and enhancing their sense of becoming involved and competition concepts.

All this has made it possible to promote progress in democracy, he noted.

He said that studying the development of modern Chinese democratic politics must proceed from conditions in China, be based on the reality of building socialism with Chinese characteristics and be guided by the fundamental tenets of Marxism. The fundamental task of socialism is to liberate and develop productive forces.

"This point of view influences and decides many aspects in China, including the development of democratic politics," he said.

The essence of socialist democracy is to let people be masters of their country.

Therefore, positive and steady development of socialist democratic politics must always adhere to the principle of doing everything for the people and always depending on the people, he added.

It is necessary to observe people's feelings carefully, learn their wishes timely, and do real things for them unswervingly. "We should be good at pooling people's wisdom, fully respect their initiatives and voluntarily accept their supervision. We should cultivate a democratic style of work, boost the sense of democracy, create and accumulate the experience of developing democratic politics through close links with the people," he said.

Li Ruihuan called for combining development of democracy with that of a legal system. It is necessary to legalize and systemize practices and experiences which are recognized by the public as having universal significance and which reflect the principle of people being masters of the country.

It is necessary to establish a sound legal system so that systems and laws will not change with a change of leadership or with a change of the views and attention of leaders, he said.

It is necessary to maintain the authority of laws, help people better protect their rights and interests according to law, stop and punish any deeds that infringe upon people's democratic rights, and ensure that people enjoy all their democratic rights, he said.

Li said that the National People's Congress system and the Communist Party-led multi-party cooperation and political consultation system are the main forms of China's socialist democracy, which must be adhered to and improved. At the same time, various democratic forms must be established and improved at the grassroots level to enable people to play their role as masters of the country in grassroots-level social and political life.

In short, Li summarized, "Based on national conditions, we must absorb and borrow all achievements of human civilization and make every effort to develop a socialist democracy with Chinese characteristics, which carries forward our fine traditions, has features of the times, reflects the basic tenets of socialism and meets the requirements of a socialist market economy."

#### Li Ruihuan Speech at CPPCC Closing Session

OW1903205994 Beijing XINHUA Domestic Service in Chinese 1140 GMT 19 Mar 94

["Text" of speech by Li Ruihuan at the closing ceremony of the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) on 19 March 1994]

[Text] Beijing, 19 Mar (XINHUA)—Fellow CPPCC members and comrades:

Thanks to the joint efforts of all CPPCC members, the Second Session of the Eighth National CPPCC Committee has successfully completed its tasks in accordance with the planned agenda. The session examined and approved the work report delivered by Vice Chairman Ye Xuanping on behalf of the Eighth National CPPCC Committee Standing Committee, as well as the "Constitution of the Chinese People's Political Consultative Conference (Amendment)." It elected additional leading CPPCC National Committee members. CPPCC members attended the Second Session of the Eighth National People's Congress as non-voting delegates, and heard and discussed Premier Li Peng's government work report and other important reports. Displaying a highly responsible spirit, they offered many excellent opinions and suggestions regarding reform, opening up, modernization, and major issues that affect the vital interests of the broad masses of people. The session was democratic, realistic, united, and motivational.

#### I.

During the past year, people of all nationalities throughout the country seriously implemented the guidelines of the 14th CPC National Congress; continued to advance along the course charted by Comrade Deng



Xiaoping for building socialism with Chinese characteristics; and scored new and tremendous achievements in reform, opening up, and modernization. During the past year, the CPPCC accommodated the new situation, carried forward its fine tradition, strengthened itself, and actively performed its various functions, thereby making new progress in all fields of work. CPPCC members earnestly studied Volume 3 of the *Selected Works of Deng Xiaoping*; deepened their understanding of the theory of building socialism with Chinese characteristics; further enhanced their awareness and initiative in fully implementing the basic line during the initial stage of socialism; conducted special investigations and studies on major issues regarding material and spiritual civilization; and scored a number of significantly valuable achievements. They also made great efforts to publicize and implement the principles of "peaceful reunification and one country, two systems"; carried out a great deal of useful work in promoting the great cause of reunifying the motherland; actively fostered friendly contacts with other countries; enhanced friendship and cooperation between people in our country and in other parts of the world; strengthened CPPCC organs; and enlivened the work of various special committees under the CPPCC National Committee. Our work commanded widespread attention in all social sectors and generated extensive interest among people living abroad, demonstrating the CPPCC's important status and unique superiority in the country's political life. The work carried out by the current term of the CPPCC got off to a good start, laying the foundation for the work over the next four years.

This year is of vital importance to our country's reform, opening up, and modernization. In his "government work report," Premier Li Peng explicitly expounded the principles and tasks regarding this year's economic construction and the drive for deepening reform. It should be noted that the completion of these tasks is of paramount importance to fully implementing the guidelines of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee; to establishing a socialist market economic structure; to solving deep contradictions in economic life; to maintaining sustained, rapid, and healthy development in the national economy; to maintaining political stability; and to promoting overall social progress.

It should be noted that there are bound to be many problems and difficulties in the course of accomplishing these tasks: during the transition from an old economic structure to a new one, new contradictions are frequently found intermingling with old ones, and new advantages often come with new disadvantages; the timing, intensity, and implementation of new reform measures are often subject to various restraints; and it is usually difficult to accurately anticipate what chain reaction readjustment of the pattern of interest sharing will trigger. It should also be noted that there are many favorable conditions for the accomplishment of these tasks: Comrade Deng Xiaoping's theory on building

socialism with Chinese characteristics has been firmly established as our guidance; the publication of Volume 3 of the *Selected Works of Deng Xiaoping* has provided us a powerful ideological weapon; thanks to reform, opening up, and the modernization drive in the past decade or more, China's economic structure has undergone profound changes and our overall economic strength and national strength are growing at an unprecedented rate; a broad-based consensus has taken shape among the people on the question of establishing a socialist market economic system and our ability to stand the impact of reform has improved markedly; leading cadres at all levels have constantly intensified their understanding of reform, development, and stability and their experience in solving complex issues is growing by the day; peace and development remain the two principal themes of the present-day world and the international situation is, on the whole, favorable to us. The overall task for the whole nation this year is to seize the opportunity, deepen reform, open up wider, promote development, and maintain stability. Work in all quarters and all sectors must be subordinated and serve this overall task. The CPPCC must find its proper place in this overall task, give full play to its strong points, and make even greater contributions.

## II.

Developing socialist democracy is an important part of building socialism with Chinese characteristics. It is also a common task for the CPC and various democratic parties, and constitutes a prerequisite for stepping up China's economic construction and restructuring. Without democracy, it would be impossible to fully arouse people's initiative or realize broad-based unity; and without democracy, there would be neither socialism nor socialist modernization. It is provided in the PRC constitution, the CPC constitution, and the constitutions of the democratic parties that we must work hard to turn China into a prosperous, strong, democratic, culturally advanced, and modern socialist country. In his government work report, Premier Li Peng pointed out we must build socialist democracy and the legal system and called for making new progress in 1994 in this regard. The CPPCC represents a major organizational form giving play to China's socialist democracy. Over the years, it has accumulated useful experience in building democracy. Under the new historical conditions, we must continue our in-depth exploration, improve our work, and giving greater play to our role.

As democracy is historical, specific and relative, it will certainly be subject to restraints involving social, economic, and political factors. Therefore, progress in democracy cannot deviate from the reality or transcend historical stages. Seeking democracy by neglecting specific conditions will not only make it impossible to achieve the objective of developing democracy, but also produce adverse effects on economic growth and social stability. Democracy will certainly develop along with the development of society. China is currently deepening reforms and establishing a socialist market economic

structure, while the people are steadily improving their cultural standards and enhancing their awareness of becoming involved and concepts involving competition. Advancing socialist democracy in an active but steady manner is not only required by the objective, but is also realistically possible.

To study the current construction of democratic politics in China, one must proceed from China's reality, based on the objective reality of building socialism with Chinese characteristics, and persist in being guided by the basic principle of Marxism. There are two basic concepts in Marxist historical materialism. One is the concept of productive forces; another being the concept of the masses. The concept of productive forces perceptively demonstrates that productive forces are the ultimate and decisive factors in all social development. The fundamental task of socialism is to liberate and develop productive forces. Since the Third Plenary Session of the 11th CPC Central Committee, we have, based on this concept, conscientiously summed up historical experiences, corrected the "left" mistake of "taking class struggle as the key link," upheld the guiding principle of economic construction as the central task, and taken the path of reform and opening up, thus bringing about a fundamental change in our country's outlook. The mass concept profoundly shows that the masses are the creators of history, are the main bodies of practice and cognition, and are the impetus of propelling the progress of human society. This concept has not only decides on and influences many tasks in contemporary China, but also has an impact on our country's construction of democratic politics. The Communist Party of China has made serving the people wholeheartedly its ultimate purpose, the mass line of coming from the people and returning among the people its fundamental work line, and seeking interests for the masses in all activities as its starting point and goal; herein lies the actual operation of the mass concept in the party's activities. The essence and contents of socialist democracy lie in helping the masses become the masters of their country. The masses, through diverse forms and channels, understand the country's situation, take part in major state affairs, exercise the rights of managing the country and social affairs, supervise ruling party and government work personnel, and bring into play the enthusiasm and initiative of building socialism. These are the vivid reflections of the mass concept in the state's political life. The mass concept is closely related to our country's construction of democratic politics. Integrating the construction of democratic politics with a Marxist world view, with the ruling party's leadership method and work style, with the government's various functions and work, and with the masses' practical activities will endow a scientific and theoretical basis and build a profound social foundation for our country's construction of socialist democratic politics. Carrying out the construction of democratic politics under the guidance of the mass concept and embodying the mass concept in the construction of

democratic politics are not only the marked characteristics and traditional advantages of our country's democratic politics, but also the inevitable route and basic method for developing our country's democratic politics.

To positively and steadfastly promote the construction of socialist democratic politics, it is necessary to always persist in doing everything for the masses and relying on the masses for everything. We should try our best to detect the mood of the masses; understand the wishes of the masses in a timely manner; tirelessly do concrete work for the masses; be skillful at pooling the masses' wisdom; fully respect the innovative spirit of the masses; voluntarily accept the masses' supervision; and in the course of forging close ties with the masses, foster a democratic work style, enhance democratic consciousness, and create and accumulate experiences for the construction of democratic politics. It is necessary to integrate democratic building with the building of a legal system; to confirm in a systematic and legal manner the methods and experiences that are socially accepted, that are of universal significance, and that will help the masses become the masters of their country, so that their rule will become the norm for social and political life; to gradually establish a sound and relatively perfect legal system, to realize the systematization and legalization of democracy, so that this kind of system and law will not change with the replacement of leaders, and will not change with the change in leaders' views and focus; to help maintain the sanctity and authority of the law and the legal system; to enhance the awareness of the masses to protect their own rights and interests according to the law; to put to an end acts that infringe on the democratic rights of the masses; and to provide the masses with a reliable guarantee so that they will enjoy various democratic rights. The system of the people's congress, the system of multiparty cooperation, and the system of political consultation under the leadership of the Communist Party are the major forms of our country's socialist democracy which need to be further upheld in future practice, so that they will be perfected and become more concrete and effective. At the same time, we need to constantly establish and improve various forms of democracy at grassroots levels along with the development of the situation, so as to enable the masses to better play their roles as the masters of their country in social and political life at grassroots level. All in all, we need to take the actual situation of our country into consideration, absorb and borrow the results of the civilization of human society, strive to build a kind of socialist democracy with Chinese characteristics that inherits an excellent tradition, that is enriched with the characteristics of the times, that reflects the basic system of socialism, and that is adapted to a socialist market economy.

### III.

The just-adopted CPPCC constitutional amendment bill has included political participation and discussion as major functions of the CPPCC. It is the general summing up of the CPPCC work and the major achievement of the current session.



Political participation and discussion are in line with political consultation and democratic supervision. The major contents and basic characteristics of the CPPCC's political participation and discussion are political consultation and democratic supervision. Political participation and discussion, however, should not be simply equated with political consultation and democratic supervision, for they are the expansion and extension of political consultation and democratic supervision. Generally speaking, political consultation and democratic supervision treat the state's and region's major policies, principles, and issues as major topics; make various levels of leading organs their specific objects of consideration; and adopt the holding of meetings as a major concern. Political consultation and democratic supervision proceed in accordance with certain procedures and rules. As for political participation and discussion, they are not completely restricted by the aforementioned conditions; they are more extensive as far as objects are concerned, are richer in content, more diverse in form, and more flexible in their methods. Incorporating political participation and discussion into the CPPCC's major functions will increase and widen the channels and spheres of CPPCC work, provide more opportunities for CPPCC members to come into contact with people from various circles and to give play to their special skills, and create excellent conditions for all levels of CPPCC organs to effectively organize political consultation and democratic supervision, to select topics for discussion, to collect of information, to accumulate materials, and to organize personnel.

All levels of CPPCC organizations and CPPCC members are urged to rally closely around the central task of economic construction, and in the course of establishing a socialist market economic system and integrating their respective realities, carry out the work of political participation and discussion in a vivid and effective manner. It is necessary to establish and improve various systems of concrete work in line with relevant stipulations of CPPCC constitution, so as to make CPPCC's meeting system, inspection system, motion system, special committee activities system, and contacts committee better able to adapt to the demands of political participation and discussion. To enable political participation and discussion activities to proceed in an organized manner, topics which are of concern to the masses, which receive party and government departments' attention, and which CPPCC organizations are able to handle should be selected and plans should be worked out for discussion. Improvements should be made in existing forms of political participation and discussion, and new forms of political participation and discussion should be created so that political participation and discussion activities will become more flexible and diverse, and so that the enthusiasm of CPPCC members will be given better play. The formation of special committees should be strengthened. Closer contacts with relevant departments, democratic parties, and social groups should be promoted so as to further give play to their basic roles in political participation and discussion. It is necessary to

fully bring into play the CPPCC's advantage in possessing a vast pool of talent; and to make good use of the CPPCC's advantageous conditions of both maintaining close ties with various social circles and with the CPC Central Committee to reflect the mood and will of the masses and to advance opinions and suggestions. Work styles and work efficiency at organs must be improved and raised so as to better serve CPPCC members and to foster political participation and discussion. It is my belief that with successful experience in CPPCC work in the past, with the common efforts of all members, and with great support from various social circles, we should and we can raise the work of the CPPCC's political participation and discussion to a new level.

#### Members and comrades:

A stable and harmonious social situation is the common goal of all people of all nationalities, and is also an important reason for seeking benefits for the people and the necessary conditions for doing a good job in all spheres of work. The CPPCC is the most extensive of all the patriotic united front organizations, which should and can give play to its unique role of consolidating and developing a stable and harmonious situation.

The great spirit of unity and struggle is one of the excellent traditions of the Chinese people, which is a powerful impetus for the Chinese nation to score glorious achievements after having gone through all kinds of hardships and difficulties, and is our basic guarantee to accomplish the historical mission of building socialism with Chinese characteristics. The CPPCC is the symbol of great unity, which should and can make outstanding contributions to maintaining and carrying forward the spirit of unity and struggle.

Let us rally around the leadership of the CPC Central Committee with Comrade Jiang Zemin at its core and raise high the banner of great unity. Let us be united and work in a down-to-earth manner. Let us be united to overcome difficulties. Let us be united to win new and greater victories!

I hereby declare: The Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference closes in victory!

#### CPPCC Second Session Adopts Amended Charter

OW1903234794 Beijing XINHUA Domestic Service in Chinese 0921 GMT 19 Mar 94

[Text] Beijing, 19 Mar (XINHUA)—Resolution of the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] on the (amended) "Charter of the Chinese People's Political Consultative Conference"

(Adopted by the Second Session of the Eighth CPPCC National Committee on 19 March 1994)

The Second Session of the Eighth CPPCC National Committee has decided: The (amended) "Charter of the



Chinese People's Political Consultative Conference" proposed by the Standing Committee of the CPPCC National Committee is adopted, and the amended "Charter of the Chinese People's Political Consultative Conference" shall take effect as of today.

#### CPPCC Session Holds Fourth Meeting

OW1803142994 Beijing XINHUA in English  
1323 GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—The ongoing session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) held its fourth meeting here today in the Great Hall of the People.

Ten CPPCC members made speeches at the meeting.

Wang Zhaoguo, Qian Zhengying, Sun Fuling and Henry Ying-tung Fok presided over the meeting. Also present were Vice-Premier Zou Jiahua and some ministers.

Shi Ningsun, member of the Central Committee of the China National Democratic Construction Association, called for curbing inflation.

"To maintain social stability and ensure a healthy growth of the national economy, the most important thing to do is to curb inflation," he said.

Luo Yuanzheng, professor of the Beijing Institute of Economics, called for a vigorous development of an export-oriented economy.

Chuang Wing-king from Hong Kong called for the government to adopt preferential policies for the five provinces and autonomous regions in northwest China and encourage them to explore CIS, West Asian and Western European markets through Xinjiang.

Tsui Sze-man, chairman of the Mirror Post Cultural Enterprises Corp., Ltd. of Hong Kong, said any attempt to introduce a premature administration of Hong Kong by Hong Kong people under the pretext of accelerating the democratization of Hong Kong violates China's sovereignty, goes against the aspirations of the Chinese people and is doomed to fail, he said.

"Whenever British colonialists leave a country or region, they are sure to create problems and adopt policies aimed at dividing the local people. This has been experienced by the people of Hong Kong," he said.

Wang Wenguang, vice-chairman of the Jiu San Society, called on the government to increase expenditures on the application and commercialization of scientific and technological findings, establish a technology market and enact a relevant law.

CPPCC members Wang Xihua, Wu Jing, Zhu Shuhao and Kang Ling also made speeches at the meeting.

#### CPPCC Member Views UK 'Sinister Attempts'

OW1903223694 Beijing XINHUA Domestic Service in Chinese 1349 GMT 18 Mar 94

[Text] Beijing, Mar (XINHUA)—Speaking at a meeting of the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] on Hong Kong's situation and development, Tsui Sze-men, CPPCC National Committee member from Hong Kong, pointed out that with the Mainland remaining stable, Hong Kong is bound to prosper.

Tsui Sze-men said: According to the Sino-British "Joint Declaration," the British Government must terminate all its governing activities in Hong Kong (including Kowloon and the New Territories) on 30 June 1997 and smoothly hand over sovereignty and governing power over Hong Kong to the Chinese Central Government, and it may not recant or evade its obligations under any pretext. Now, only a little more than 1,200 days before the return, Chris Patten, the last British governor and politician who was defeated in election in his own country, on numerous occasions openly broke the country's promise under various pretexts, culminating in the termination of Sino-British talks. Without the Chinese Government's approval, he unilaterally submitted the so-called "Chris Patten political reform program"—a program that infringes on China's sovereignty—to the "Legislative Council" [Legco], which functions entirely under British colonial rule, for implementation after its "approval."

Tsui Sze-men said: Every time they withdraw from a country or region, the British colonialists use tricks to create contradictions and divide the country or region. Their habitual tricks have been personally experienced by Hong Kong compatriots today, and the British Government's two sinister attempts pursued by Chris Patten on its behalf have been completely exposed to the light of day. Its first attempt is to create a pro-British legislative body on the basis of Patten's political reform program, a body that listens to London and imposes itself on Hong Kong after 30 June 1997. Another is to plunder every penny of the Hong Kong Government's fiscal surplus of 130 billion Hong Kong dollars, ignoring the past friendship between Britain and China and British long-term interests. Making Chinese Government's resumption of sovereignty over Hong Kong ineffective and plundering Hong Kong's fiscal surplus are Chris Patten's two most despicable attempts. These short-sighted sinister attempts are not only opposed by the great majority of the Hong Kong compatriots, they are also opposed by more and more people in business and diplomatic circles in Britain itself.

Tsui Sze-men pointed out: At this crucial moment, the Chinese Government issued a resolute statement which solemnly points out that with the termination of "Letters Patent" and "Royal Instructions" in Hong Kong by 30 June 1997, all the legislative bodies created unilaterally by British politicians at various levels in Hong Kong will

be disbanded. According to the Basic Law and the relevant provisions of the National People's Congress [NPC], legislative bodies at various levels which embody China's sovereignty will be organized, beginning on 1 July 1997. The NPC Standing Committee was farsighted in adopting the decision on organizing the Preliminary Work Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region [HKSAR]. Since then, the members from Hong Kong and those from the mainland in the PWC have cooperated faithfully with each other and stepped up the study of the organization of the HKSAR Government, the selection of its chief executive, and the election of its legislative bodies at various levels. First, the second group of nearly 100 Hong Kong affairs advisers are seriously putting forward opinions and suggestions and playing the role of a collective body of wisdom. The third group of advisers will be hired soon. The PWC itself will be properly strengthened. Nearly 300 Hong Kong district affairs advisers, many of whom are from the grass-roots level, were hired on 5 March. These talented people are working with one heart and one mind in making a preliminary exploration of ways for Hong Kong people to administer Hong Kong. Tsui Sze-men was convinced that the Chinese Government has both the determination and the ability to ensure Hong Kong's smooth transition and continued stability and prosperity. Hong Kong will certainly be prosperous so long as the motherland's mainland enjoys stability and economic development.

Tsui Sze-men said: One country with two systems, administering Hong Kong by the Hong Kong people, and a high degree of autonomy can be realized according to the Hong Kong "Basic Law" only after China's central government completely recovers Hong Kong's sovereignty and administration. Reliance on foreign forces and use of the pretext of accelerating democracy and making Hong Kong people administer Hong Kong sooner are in violation of both China's sovereignty and the Chinese people's aspirations. None of the attempts can succeed.

Tsui Sze-men said: As a representative of overseas Chinese, I took part in the flag-raising ceremony for Burma's independence in Burma on January 4, 1948. I also attended the last Burmese governor's flag-lowering ceremony. I witnessed Britain's Major General (Lance), holding a British flag, walk out of the governor's office in tears. It will be my pleasure to witness the last Hong Kong governor walk out of the governor's office. It will be different from what I did in Burma. At that time, I was invited to attend the ceremony as a guest. Next time, I will attend the ceremony as the host and will be particularly happy and honored.

Tsui Sze-men said: Premier Li Peng said in his "government work report": "I hope the PWC will unite the Hong Kong compatriots in a comprehensive way, make good preparations for establishing the Hong Kong Special Administrative Region and its first government and legislative body, and live up to the expectation and great

trust placed in it by the people across the country." Since I heard this passage, I have felt that the responsibility resting on my shoulders is very heavy and important because I am a PWC member. I will unite with all the forces in Hong Kong that I can and will make the greatest efforts for Hong Kong's smooth transition in the second half of the transitional period and for its successful reversion.

#### CPPCC Report on Examination of Proposals

OW2003060094 Beijing XINHUA Domestic Service in Chinese 0919 GMT 19 Mar 94

[Apparent text of the "Report of the Motions Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference, CPPCC, on the Examination of Proposals Submitted to the Second Session of the Eighth CPPCC National Committee—Adopted at the Second Session of the Eighth CPPCC National Committee on 19 March 1994"]

[Text] Beijing, 19 Mar (XINHUA)—By 1700 on 14 March, the Second Session of the Eighth CPPCC National Committee has received 1,893 proposals submitted by 1,413 committee members, or 67.4 percent of the total number of committee members. Committee members from the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Association for Promoting Democracy, the Chinese Peasants and Workers Democratic Party, the China Zhi Gong Dang [Party for Public Interests], the Jiusan [September 3] Society, and the Taiwan Democratic Self-Government League submitted a total of 13 proposals under the name of their respective parties and organizations.

In accordance with relevant provisions in the "Regulations of the CPPCC National Committee for Work Related to Proposals" and the work plan for this session, the Motions Committee divided itself into several groups to earnestly examine the proposals and then placed 1,851 proposals, or 97.8 percent of the total, on file for further action. Among them were 726 proposals, or 39.2 percent, on economic construction; 556 proposals, or 30 percent, on science, education, culture, public health, and sports; 373 proposals, or 20.2 percent, on political, legal, as well as labor and personnel affairs; and 196 proposals, or 10.6 percent, on united front work as well as matters related to nationalities, religions, and Hong Kong, Macao, and Taiwan compatriots and overseas Chinese. A total of 42 proposals falling short of the requirements for further action were instead handled as letters from committee members, after the consent of the committee members concerned was obtained through consultations.

Acting in accordance with the current session's guidelines of "promoting democracy, seeking truth from facts, achieving unity, and going all out" and focusing on the overall tasks of seizing the opportunity, deepening reform, opening up wider, promoting development, and



preserving stability, committee members presented many positive views and suggestions on major issues vital to the country's lasting peace and prosperity and on flash-point issues of concern to the masses of people, such as how to improve macroeconomic regulation and control, strengthen infrastructure construction, strengthen the role of agriculture as the foundation of the national economy, invigorate state-owned large and medium enterprises, support economic development in ethnic minority regions, strengthen environmental protection; maintain the sustained, rapid, and healthy development of the economy; accelerate the establishment of a socialist market economic structure, stabilize commodity prices, perfect the tax system, improve the market mechanism, develop science and technology, revitalize education, promote cultural prosperity, push the reform of medical and public health structures, strengthen the building of socialist spiritual civilization, perfect the legal system, combat corruption and promote clean government, improve public order, ensure Hong Kong's smooth transition, and promote the motherland's peaceful reunification. Many proposals, particularly those presented by various parties and groups, were developed on the basis of careful investigation and study. Their arguments are well grounded, and they not only point out problems but also provide methods and approaches for solving the problems.

After studying the proposals on record, the Motions Committee decided to forward them separately to 145 units for handling. They include relevant departments of the CPC Central Committee; relevant ministries, commissions, and departments under the State Council; the National People's Congress [NPC] Standing Committee's General Office, the Central Military Commission's General Office, the Supreme People's Court, the Supreme People's Procuratorate, relevant people's organizations; and party committees and people's governments of the relevant provinces, autonomous regions, and municipalities. While the CPPCC National Committee was still in session, the Motions Committee, based on proposals by some CPPCC National Committee members, requested leading comrades of the State Education Commission to visit the members' districts to brief the localities on the implementation of the "Teachers Law" and to exchange views on it. The Motions Committee also promptly consulted relevant units on 10 urgent proposals and had these handled while the National Committee was still in session.

After the end of the Second Session of the Eighth CPPCC National Committee, the National Committee's General Office is to hold a meeting of the responsible persons of the general offices of the various units undertaking to handle the proposals to discuss matters related to their implementation.

#### List of New Officials to CPPCC National Committee

OW1903130994 Beijing XINHUA Domestic Service in Chinese 0925 GMT 19 Mar 94

[Text] Beijing, 19 Mar (XINHUA)—"Namelist of Additional Vice Chairmen and Standing Committee Members, As Well As New Secretary General Elected to the

Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC]" adopted at the Second Session of the Eighth CPPCC National Committee on 19 March 1994:

Vice chairmen: Zhu Guangya and Wan Guoquan.

Standing Committee members (arranged in the order of the number of strokes in their family names [in Chinese]): Wang Meng, Wang Siming (Bouyei Nationality), Wu Guanzhong [0702 0385 0022], Zhang Yongzhen [1728 3057 3791] (female), Zhao Yisheng [6392 0044 3932] (Yao Nationality), Mei Xiangming, and Xie Jin;

Secretary-general: Zhu Xun.

#### XINHUA Profile of CPPCC Vice Chairman Wan Guoquan

OW2003092194 Beijing XINHUA Domestic Service in Chinese 1000 GMT 19 Mar 94

["Be Forever an Honest Friend of the CPC"—An Interview With Newly Elected CPPCC Vice Chairman Wan Guoquan"; by XINHUA correspondents Luo Guojun (7482 0948 7486) and Liu Siyang (0491 1835 2254)]

[Text] Beijing, 19 Mar (XINHUA)—Wan Guoquan, an executive vice chairman of the Central Committee of the China Democratic National Construction Association [CDNCA], has been elected this month as vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], which is also the month of his 75th birthday. For Wan Guoquan, who has maintained close cooperation with the CPC for nearly half a century, this is an event worthy of celebration.

Wan Guoquan frankly revealed his feeling to XINHUA correspondents after he was elected a CPPCC vice chairman: "As an honest friend of the CPC, I would like to thank the CPPCC members for trusting in me. I will devote the rest of my life to doing my job well."

Wan Guoquan has been a friend who cooperated closely and shared weal and woe with the CPC. He is also an honest friend who handles matters impartially. In the early days following the liberation of China when Wan Guoquan was manager of an enterprise in Tianjin, he responded to the call of the party and took the lead in introducing public-private joint management to the enterprise under his management. Since then, he has been serving under the All-China Federation of Industry and Commerce [ACFIC] and the CDNCA. Comrades who know him have lauded him as "a democratic person devoted to his work who handles party work very well and dares to speak frankly."

"I came from a warlord family in northeast China, and it was natural I was not spared misfortune during the 'Cultural Revolution.' I was made to work in a cow shed; I was subjected to criticism and struggle; I was made to work as a construction worker, a carpenter, and a cook.



But this has not shaken my confidence in the CPC." With deep feeling, Wan Guoquan recalled events of the past: "After the Third Plenary Session of the 11th CPC Central Committee, I resumed my work in the Tianjin branch of the ACFIC and CDNCA. Later, I was transferred to the post of specialized vice chairman of the CDNCA Central Committee. My contacts with high-ranking leaders of the CPC have further convinced me that the CPC is truly concerned about and cherishes us, treating the democratic parties as its partner of cooperation."

Wan Guoquan recalled an event which involved him personally. When Deng Yingchao inspected work in Tianjin in a certain year, she learned that Wang Guoquan's father had done something for our party. She intentionally chose "1 July" as the date for inviting Wan Guoquan and his wife to be her guests. While holding Wan Guoquan's hands, Deng Yingchao told him: "You are a good friend of our party." Wan Guoquan was moved to tears after hearing the remark. After that, Deng Yingchao used to inquire about his living conditions.

"The democratic parties want to become honest friends of the CPC precisely because it regards us as friends," said Wan Guoquan. He added: "Treating each other with full sincerity and sharing weal and woe, political consultation, and democratic supervision—this is a function of the parties participating in the administration of state affairs and the CPPCC. Personally, I dare not forget this even for an instant."

It has been learned that Wan Guoquan conducts investigations and studies at basic-level units every year, and writes motions and proposals on economic construction. Last year, together with some experts and scholars of the CDNCA, Wan Guoquan visited five provinces and autonomous regions in northwest China to conduct investigations. On behalf of the CDNCA Central Committee, he submitted to the party Central Committee and the leadership of the five provinces and autonomous regions a report on some issues regarding economic development in the five provinces and autonomous regions. During the three years since he assumed the post of executive vice chairman of the CDNCA Central Committee, many of the motions submitted by the CDNCA have been adopted by the party Central Committee and other relevant departments. Last year, the central leadership attached great importance to CDNCA-submitted motions and proposals on constitutional amendments, to strengthening rural and agricultural work, to reform of existing banquet systems to promote the transformation of customs and habits, and to invigoration of large and medium state-owned enterprises. As these remarks were being made, Wan Guoquan waved his hand in a modest gesture, saying: "These tasks were completed by everyone under the leadership of Chairman Sun Qimeng. I only served as a link in reporting conditions at grass-roots levels to the top leadership."

After awhile, Wan Guoquan said what he would do after becoming a CPPCC vice chairman: "First, with the change of status, one must not change the style of being hardworking, honest, and self-disciplined. As the people have given me the right, I must change the purpose of serving them. Second, knowing that I have a heavy responsibility to bear, I must set stricter demands on myself. I will strengthen political and professional studies, knowing that knowledge is never sufficient. Third, I will do my best to fulfill my responsibility of reflecting the opinions and proposals of 60,000 CDNCA members and other members of the democratic parties.

"Through actual deeds, I will forever be an honest friend of the CPC." Wan Guoquan said these concluding remarks resolutely.

### **XINHUA Calls CPPCC Constitution Symbol of Democratic Progress**

*OW2003115094 Beijing XINHUA in English  
1131 GMT 20 Mar 94*

["CPPCC, Symbol of China's Democratic Politics"—XINHUA headline]

[Text] Beijing, March 20 (XINHUA)—The newly-amended constitution of the Chinese People's Political Consultative Conference (CPPCC), which has strengthened the role of CPPCC in China's political life, is another symbol of China's progress in developing its democratic politics.

CPPCC, the broadest patriotic united front formed in the long struggle of the Chinese people, played a vital role in history. Before the eve of the founding of New China on October 1, 1949, CPPCC exercised the power of the National People's Congress and announced the birth of New China. After the convention of the first National People's Congress in 1949, CPPCC has continued to play an important role in the country's political and social life.

The amended CPPCC Constitution further clarifies and strengthens the position and role of CPPCC, pointing out CPPCC is an important institution for multi-party cooperation and political consultation under the leadership of the Communist Party of China (CPC).

Observers here noted this marks a new development after the addition of "the political consultation system will exist and develop for a long time" to the constitution of the People's Republic of China in an amendment last year.

Scholars from the Chinese Academy of Social Sciences said the amended CPPCC Constitution stipulates the main functions of CPPCC, including the main content, form and procedures of "political consultation and democratic supervision." For instance, consultations are necessary not only before decisions are made on state policies, principles, important political, economic and social issues but also during their implementation. This

shows that political consultations have become broader in scope and richer and in content.

The amended constitution also adds stipulations on the rights and obligations of CPPCC organizations and members. The stipulation that CPPCC participating units and individuals have the right to expose and investigate acts violating laws and disciplines will further enable CPPCC organizations and members to exercise the right of administering state and social affairs.

Wu Jianfan, a jurisprudence researcher of the Chinese Academy of Social Sciences, said that, though the CPPCC Constitution is not a law, it has a binding force since the political consultation system has been recognized by China's Constitution.

Wu regarded the amended CPPCC Constitution as an important link in the development of China's democratic politics in recent years.

Since China instituted reform and open policies 15 years ago, democratic politics has developed steadily. The country's two basic political systems—the people's congress system and the multi-party cooperation and political consultation system—have been improved and strengthened.

In the people's congress system, deputies to people's congresses at the county level and lower are now directly elected; and for the national people's congress, there are more candidates than membership. China's Constitution stipulates that the tenure of office of the president, chairman of the NPC Standing Committee and premier should not exceed two terms, terminating virtual life tenure of office of the past.

Other important steps taken in this direction include: in the CPPCC organizations, CPC members should not surpass 40 percent; non-communist persons have been recommended to assume posts in the government, establishment of a civil service system, and the adoption of strict examination procedures for the appointment, promotion and removal of officials.

A senior jurist said that the amended CPPCC Constitution marks another milestone in the development of China's democratic politics.

The amended CPPCC Constitution stipulates "participation in running and discussing state affairs" as a main function of CPPCC. The addition will not only expand the channels and scope of CPPCC participation but also has a far-reaching significance for the development in the country of socialist democratic politics with Chinese characteristics.

#### **XINHUA Profiles CPPCC Vice Chairman Zhu Guangya**

*OW1903084894 Beijing XINHUA in English  
0739 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—Well-known nuclear physicist Zhu Guangyan, 69, was made a vice

chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) in a by-election here today.

Zhu is now chairman of the China Association for Science and Technology, director of the Science and Technology Committee under State Commission of Science, Technology and Industry for National Defence, and academician of the Chinese Academy of Sciences.

In the 1960s, he was one of the organizers of researches in China's atomic and hydrogen bombs.

Born in December 1924 in Yichang of Hubei Province, Zhu graduated from the Physics Department of Southwest Associated University in 1945. Recommended by professor Wu Dayou, he went to the U.S. to study nuclear physics in 1946. After obtaining a doctorate in physics from the University of Michigan, he returned to China in spring 1950. He served as associate professor of Beijing University, and professor and director of Teaching and Research Section, Northeast China People's University.

In 1955 Zhu started to teach New China's first group of nuclear physics students in Beijing University. Two years later, he engaged in the study of reactor physics in the Atomic Energy Research Institute of the Nuclear Ministry. He joined the Communist Party of China (CPC) in 1956.

In the early 1970s, Zhu was transferred to State Commission of Science, Technology and Industry for National Defence and organized preparations for the Qinshan Nuclear Power Plant, and research and development of nuclear fuel and application of radioisotope. In the 1980s he masterminded part of the "863 Program"—a program for China to follow the latest development of high technologies in the world.

Zhu was an alternate member of the 9th and 10th CPC Central Committees, a member of the 11th-14th CPC Central Committees, a deputy to the 3rd-5th National People's Congresses and a Standing Committee member of the CPPCC 8th National Committee.

Professor Zhu likes cycling, classic music, classic literature and playing ping pong and basketball.

#### **XINHUA Profiles CPPCC Secretary-General Zhu Xun**

*OW1903084594 Beijing XINHUA in English  
0740 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—Zhu Xun, minister of geology and mineral resources, was elected secretary-general of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today at a session of committee members.

He succeeds former Secretary-General Song Demin, who has been hospitalized for cerebral thrombus.

Zhu, 64, native of Funing, Jiangsu Province; joined Communist Party of China (CPC) 1946; after 1942 studied successively in Subei (northern Jiangsu) No. 1 Lianli Middle School founded by Communist-led New Fourth Army, Subei Industrial Vocational School and middle school attached to Central China University of Construction; after liberation of Shanghai in 1949 went to Shanghai under CPC order and took over chemical plant there; less than one year later, studied in metallurgy class run by Industrial Management Department of People's University of China; studied 1952-57 geological prospecting in two colleges in former Soviet Union.

Being a professional in geological prospecting, served successively as technician, leader of prospecting team, chief engineer and deputy director of Geological Bureau of Jiangxi Province; appointed vice minister of geology in 1982; made minister of geology in 1985.

Zhu is also a scholar and philosopher. Founded "Philosophy of Prospecting for Minerals." Has written four books, including "An Outline of Philosophy of Prospecting for Minerals."

Loves collecting mineral samples and reading.

His wife Yi Huiyu is a researcher with Chinese Research Institute of Geology and Mineral Resources Information.

#### **XINHUA Profiles CPPCC Vice Chairman Wan Guoquan**

*OW1903084494 Beijing XINHUA in English  
0738 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—Wan Guoquan, a non-Communist Party member, was elected a vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today.

Wan, 75, is an executive vice chairman of the Central Committee of the China Democratic National Construction Association (CDNCA), one of China's eight non-communist parties.

A native of Taonan of Jilin Province, Wan was born in 1919. His father Wan Fulin was a subordinate of the northeast army commander Zhang Xueliang and served successively as governor of Liaoning Province and deputy commander of the 20th Group Army.

Wan graduated from the Business and Management Department of the Chongqing Zhonghua University in Sichuan Province in 1945. After 1947 he became the manager of the Tianjin Lizhong Sulphuric Acid Industrial Co., Ltd. after 1954 he became a deputy manager of the Tianjin Dye and Chemicals Company.

As a senior democratic party personage, Wan has maintained a close cooperative relationship with the Chinese Communist Party (CPC) for decades.

Soon after the people's republic was founded in 1949, as manager of the only sulphuric acid manufacturing company in north China, Wan responded to a call of the CPC by giving the state exclusive selling rights of all its sulphuric acid products badly needed for the country's construction, which represents a first step forward in the socialist transformation of capitalist enterprises.

Wan joined the CDNCA in 1950. He also served successively as secretary-general and vice chairman of the Tianjin Municipal Federation of Industry and Commerce, a Standing Committee member and adviser of the All-China Federation of Industry and Commerce and vice chairman of the Central Committee of the CDNCA.

The CDNCA has a membership of 50,000, of whom 70 percent are senior intellectuals engaged in management, production, technology, research and teaching in enterprises, government financial departments, research institutes and schools.

As a vice chairman of the Central Committee of the CDNCA, Wan has rich experience in economic work, and his party often puts forward important suggestions to the central government.

Wan is also active in social activities. He participated in the drafting of the basic laws for the Macao Special Administrative Region.

He was elected president of the China Council for the Promotion of Peaceful Reunification at its third council meeting in February 1993. In September of the same year he was elected vice president of the Chinese Association for International Understanding. He was member of the Fifth National Committee of the CPPCC, Standing Committee member of the Sixth, Seventh and Eighth National Committees of the CPPCC and vice chairman of the Federation for Motherland Reunification.

#### **CPPCC Member: Returned Students Playing Important Roles**

*OW1903075294 Beijing XINHUA in English  
0710 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—"It is our duty to catch up with world advanced levels in nuclear fusion research," a Chinese researcher said here today.

Yang Size, a research fellow of the Physics Institute, the Chinese Academy of Sciences, and a member of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), noted that there is a gap between China and the United States, Japan, Russia and West European countries in nuclear fusion research.

Yang, also head of the Taiwan Fellow-Students Association, went in 1972 from Taiwan to the United States, where he won a doctorate in physics from the University of California, Berkeley in 1978. He came to the Chinese mainland afterwards, engaging in nuclear engineering



research in the Chinese Academy of Sciences as head of a research project. "On the mainland I can do what I want to do," he said.

The 47-year-old physicist and his research group won financial assistance from the state natural science fund this year.

Yang is one of China's tens of thousands of returned students. A number of them have become leaders in various fields.

Since 1978 China has sent over 200,000 students to study in over 100 countries and regions, including the United States, Japan, Britain, France, Germany, Canada, Australia and Russia.

So far, 70,000 have returned to China. A number of them have opened new research areas, some have become internationally-known scholars and others have been recognized as leaders in their respective fields.

In the Shanghai branch of the Chinese Academy of Sciences, 83 percent of the 6,847 returned students have made at least one research achievement or patent each. Winners of state prizes number 905, and winners of ministerial prizes, 277.

In 1993, the Chinese University of Science and Technology promoted 33 returned students to the rank of professor, accounting for 65 percent of the newly promoted.

Gan Zizhao, academican of the Chinese Academy of Sciences and chief of the National Superconductor Expert Committee, and other members of the CPPCC National Committee suggested that China further improve political and economic conditions for young scientists.

In July 1985, China instituted its post-doctorate system, which has led to the establishment of 300 post-doctorate stations with 1,800 post-doctorate researchers throughout China.

Dalian and other coastal cities have erected residential buildings for post-doctorate researchers.

The Chinese Academy of Sciences, which sent 11,736 persons to study abroad between 1978 and 1993, has adopted flexible policies to encourage Chinese students studying abroad to contribute to China through multiple channels, including carrying out short-term research projects.

#### CPPCC Member Sees 'Serious' Geological Resource Shortage

HK1803151394 Beijing ZHONGGUO XINWEN SHE in English 1156 GMT 18 Mar 94

[Text] Beijing, March 18 (CNS)—Member of the CPPCC and associate researcher of the Chinese Academy of Geological Sciences Mr. Wang Mili said today that a grim situation was facing the Chinese

geological sector as a result of a shortage of geological resources and investment as well as a draining of talented people from this field.

Mr. Wang said that the serious shortage of investment in geological prospecting had resulted in known mineral deposits not being able to meet the country's needs. Of 45 proven main mineral resources, 12 will be in short supply within this century and half of the 45 mineral deposits will not keep pace with the demands of economic development in the 21st century.

Meanwhile, investment in mineral production was falling, taking inflation into account, by 10.3 percent annually, resulting in a half-closure of one-third of geological prospecting teams, with their salaries and living standard falling to below the average level in the country. Four such teams in Guangdong which had made a great contribution to geological work were living in poverty, and similar workers in Qinghai Province working on the plateau area for dozens of years where oxygen is thin continued to live in bad housing conditions, with their children unable to find work and 175 households, of whom had a per capita income for their daily expenses of less than RMB 35 [renminbi] monthly. [sentence as received] Such situations had caused many talented people to move out of the sector.

The mismanagement of mineral deposits was serious resulting in environmental pollution, and the safety of workers and public order had also been affected.

Mr. Wang called for more attention to be given to geological work to meet the needs of China's economic development. The caring for the country's natural resources should, like the control of population and protection of the ecology, be seen as a fundamental national policy.

#### CPPCC Discuss Challenges Facing Performing Arts

OW1803120294 Beijing XINHUA in English 1143 GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—The performing arts in China are at a crossroads at a time when a market economy taking shape in the country is offering them both opportunities and challenges.

Some members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) expressed their mixed feelings for the current cultural situation at the ongoing CPPCC session.

Since the government adopted a series of measures to support classic and traditional arts last year, classic and traditional arts have had a revival of sorts after withering for a period.

Sponsored by some enterprises, the China Opera Troupe recently staged performances in Guangzhou for the second time. Its first performance took place in Guangzhou 33 years ago. Wang Shiguang, director of the

troupe, said its visit to the southern city marked the beginning of the troupe's normal operation.

Beijing, Shanghai, Guangzhou and other big cities successfully staged New Year concerts. The number of performance programs of classic and traditional arts has increased remarkably.

In Shanghai, all specialized troupes have arranged their performance programs for the year.

The Guangzhou Philharmonic Orchestra has resumed its normal rehearsals and performances, while a new ballet is being organized there.

Some big companies have also sponsored classic and traditional arts. For instance, the Shanghai Stock Exchange has decided to donate 2.5 million yuan to the Central Philharmonic Orchestra.

But, noted writer Wu Zuguang said quite a number of companies seek promotion of their corporate images through donations and some companies even asked troupes to change their names after themselves. "It's shocking," he said.

Some members suggested that state adopt preferential policies to bankroll classic and traditional artistic institutions so as to create favorable conditions for the development of cultural undertakings.

CPPCC members from literary and art circles also suggested that China accelerate cultural legislation to promote cultural prosperity.

Famous writer Li Zhun said that policies governing literature and arts should meet the needs of the new era. "It is necessary to ban pornographic and obscene arts. What is more important, however, is to let literature and art prosper," he said.

Huang Shuqin, a woman director of the Shanghai Film Studio, said that reform and open policies have ushered in a diversified social structure, and the feelings of the public have changed too. "If our policy governing literature and art does not proceed from the reality, it is impossible for them to serve people in the era," she said.

On relations between classic and pop music, Professor Wu Zuqiang from the Central Conservatory of Music said that there is not an unsurmountable gap between classic and pop music. "We should support classic music and develop pop music as well," he said.

The influx of smuggled film tapes and compact disks has also caused concern among CPPCC members. They expressed their support for a government ban on smuggled film tapes and compact disks.

Famous film director Xie Jin stressed it is necessary to create a more relaxed environment for artists and encourage them to produce competitive films.

He said that artists should emancipate the mind and have a better understanding of the multiple social functions of literature and art rather than stressing its educational function only.

Wu Zuqiang said that upgrading the existing philharmonic orchestras and creating high-quality music products will be the key for the classic music to turn around.

### **Jiang Zemin Urges Deputies To Speed Up Economic Development**

*OW2103125894 Beijing XINHUA in English  
1235 GMT 21 Mar 94*

[Text] Beijing, March 21 (XINHUA)—Chinese President Jiang Zemin today called for efforts to speed up economic development in China's central and western regions and maintain an appropriate growth rate there.

While meeting with National People's Congress deputies from Hainan, Gansu and Henan Provinces, Jiang emphasized the importance of proceeding from specific local conditions and accelerating China's economic growth in a "down-to-earth" manner.

"China has a huge population, vast territories and uneven economic development between different regions," said Jiang, who is also general secretary of the Chinese Communist Party Central Committee.

He said that the state will take effective measures to narrow the economic gap between the coastal areas and the central and western regions.

While the state increases assistance for central and western regions, developed areas should try to help underdeveloped regions, he noted.

The leader called on officials and people in central and western regions to catch up with developed regions through self-reliance.

"Our goal is to achieve common development and prosperity," he said.

He also emphasized the importance of paying close attention to unity in areas inhabited by people of various minority nationalities.

He called on people of all nationalities to hold high the banner of patriotism and socialism and work hard for the prosperity of the Chinese nation.

### **NPC Spokesman Comments on Hong Kong Issue**

*OW1903033094 Beijing XINHUA in English  
0311 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—Spokesman for the current session of the National People's Congress (NPC) said here today that a bill on the Hong Kong issue has been submitted to the NPC Law Committee.

Zhou Jue, the spokesman, said that some NPC deputies of the Guangdong provincial delegation raised a bill suggesting that the National People's Congress make a decision to organize the legislature of the Hong Kong Special Administrative Region (SAR) and its district organizations in 1997 after the termination of the political structure of Hong Kong established by the British government.

The Third Meeting of the presidium of the NPC Second Session decided to submit the bill to the NPC Law Committee first for deliberation, he said.

Zhou said that Sino-British negotiations on Hong Kong's 1994/95 electoral arrangements broke down because of the sabotage of the British side. Under such circumstances, the last political structure elected according to British Hong Kong government's legislation will come to an end with the termination of the British jurisdiction over Hong Kong. "It cannot extend beyond June 30, 1997," he said.

The preliminary work committee for the SAR will unite with Hong Kong compatriots, and make preparations for the SAR, its first government and legislature in accordance with the NPC decision on organization methods of the first government and legislative assembly of the SAR, Zhou said.

"No matter what happens, the Chinese government and people have the determination and capacity to resume the exercise of Chinese sovereignty over Hong Kong, realize smooth transition of power and maintain Hong Kong's long-term stability and prosperity," he said.

#### **NPC Session Presidium Holds Third Meeting**

OW1903035694 Beijing XINHUA in English  
0340 GMT 19 Mar 94

[Text] Beijing, March 19 (XINHUA)—The Presidium of the Second Session of the Eighth National People's Congress (NPC) held its third meeting here this morning.

The meeting first approved a report delivered by NPC Law Committee Chairman Xue Ju on the examination result of a draft Budget Law. NPC deputies maintained that it is necessary to formulate a budget law since it can strengthen the distributive and supervisory functions of budget, improve state management over budget, step up state macro-economic controls and ensure a sound economic and social development, Xue said.

According to Xue, most deputies agreed that the draft of the Budget Law is basically mature and should be submitted to the current session for examination and approval. The meeting adopted his suggestion.

The Presidium meeting also approved to submit to the current NPC session for examination a draft decision on empowering the Xiamen City People's Congress and its standing committee with the power to formulate laws and regulations for implementation in the Xiamen Special Economic Zone.

The Presidium approved a draft resolution on the work report of the NPC Standing Committee and decided to distribute the resolution to all NPC delegations for examination and then put it to a vote at a full meeting of the session.

Today's Presidium meeting also approved a draft resolution on the work reports of the Supreme People's Courts and Supreme People's Procuratorate and decided to put the draft resolution to a vote at a full meeting of the current session.

The meeting also approved a list of candidates for new members of the NPC Standing Committee to be elected at a full meeting. A draft resolution on a list of the general scrutineer and scrutineers in the election was also approved at today's meeting and will be submitted to a full meeting for approval.

Cao Zhi, deputy secretary-general of the current NPC session, delivered a report on the handling of bills and suggestions raised by deputies.

He said that the current session has received 63 bills by delegations and 660 bills each raised by at least 30 deputies. In addition, by March 18 deputies had also raised 1,600 suggestions and criticisms about work in various fields.

#### **Jiang Zemin Inscribes Name Change for Central University**

OW2003162694 Beijing XINHUA in English  
1505 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—Teachers and students of the Central University of Nationalities today held a ceremony to change its name.

The university was originally named the Central Institute of Nationalities. Last November, the State Education Commission approved a name-change to the Central University of Nationalities.

Jiang Zemin, Chinese president and general secretary of the Central Committee of the Chinese Communist Party, inscribed the nameplate for the university.

At the ceremony, Vice-Premier Li Lanqing unveiled the nameplate.

He said that the development of educational services for minority nationalities is important to the revitalization of minority nationalities and the ethnic people's autonomous regions and prefectures.

He said that the central university has played a very important role in cultivation of high- and mid-level officials and technical know-how in minority nationalities inhabited areas.

He urged the university to make a new start and turn itself into a university with its unique characteristics so as to contribute to higher education among minority nationalities.



Set up in Beijing in 1950, the university now has over 20 departments and 30 research institutes with more than 100 disciplines.

By the end of last year, more than 30,000 had graduated from the university.

Among those who attended the ceremony were Vice-Chairmen of the Standing Committee of the National People's Congress Pagbalha Geleg Namgyai, Cheng Siyuan, Buhe and Tomur Dawamat, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Ngapoi Ngawang Jigme, and State Councillor and Minister in Charge of State Nationalities Affairs Commission Ismail Amat.

### **Tian Jiyun, Others Talk With NPC Delegates**

*OW2103005494 Beijing XINHUA Domestic Service in Chinese 1515 GMT 19 Mar 94*

[Text] Beijing, 19 Mar (XINHUA)—Since the opening of the Second Session of the Eighth National People's Congress [NPC], many leading comrades of the CPC Central Committee, the NPC Standing Committee, and the State Council have separately participated in discussions held by various provincial, autonomous regional, municipal, and People's Liberation Army [PLA] delegations. They attentively listened to deputies' views and suggestions on work in various fields and gave their views on many issues of concern to the deputies.

Tian Jiyun, CPC Central Committee Political Bureau member and vice chairman of the NPC Standing Committee, took part in the Guizhou delegation's discussions. He said: In the course of establishing a socialist market economic structure, the NPC's legislative responsibility has become heavier and heavier. In conducting legislative work, it is necessary to take into consideration China's conditions and foreign experience as well as the question of compatibility with international practice.

He said: We have been carrying out construction and legislation under a social condition where the sense of the legal system is weak and the legal system is not very comprehensive and sound. Because of this, not only do we shoulder a very heavy legislative responsibility, but we also shoulder an even heavier responsibility in supervising law enforcement. We must do a tremendous amount of hard work for an extended period to ensure that our people and cadres have a higher sense of the legal system and that laws are adhered to and strictly enforced in administering state affairs. Only when we have done so can we ensure the establishment of a socialist market economy, the irreversibility of our reform and opening up, and the success of socialist modernization.

During discussions with the Jiangxi delegation, Li Lanqing, CPC Central Committee Political Bureau member and vice premier, said: Reform provides the fundamental solution to education. First, we must readjust education's macro structure, concentrating our principal

energy on basic education. Second, we must not impose uniformity in promoting nine-year compulsory education. We must not demand uniform education, ignoring differences between urban and rural areas and between developed and underdeveloped areas. Third, we must step up reform with the goal of improving educational standards and increasing the beneficial results of higher education. We must encourage people to pool their resources to set up and operate schools. Fourth, we must strengthen moral education.

During a discussion with the Shandong delegation, Jiang Chunyun, CPC Central Committee Political Bureau member, said: To ensure the smooth progress of reform in all fields, we must firmly cultivate an overall point of view; correctly handle relations between partial and overall interests and between immediate and long-term interests; stress discipline and the overall situation; consciously safeguard the authority of the CPC Central Committee and the State Council and take concerted steps with them. We must fully arouse and bring into play the initiatives and creativity of the broad masses of people. Reform is an undertaking involving the broad masses of people. We must channel their initiatives to reform so that they will concern themselves with reform, support it, and successfully carry it out.

During a discussion with the Ningxia delegation, Qian Qichen, CPC Central Committee Political Bureau member and vice premier, said: Helping the poor involves a transitional period. We must earnestly implement the state's program to support the poor, make concentrated efforts to make full use of the program's funds, work hard to improve the production conditions in poor areas, and help them vigorously develop village and town enterprises and intensive processing industries. He stressed: Stability is a major issue. Because national minority regions lag behind in economic, educational, and cultural development, strengthening unity among nationalities and properly resolving ethnic and religious issues have become all the more important. Only in this way can we have a stable foundation to develop the economy in national minority regions and gradually narrow the difference between national minority regions and developed areas.

During a discussion with the Guangdong delegation, Xie Fei, CPC Central Committee Political Bureau member, said: The state has announced a series of reform measures related to finance, taxation, banking, foreign trade, and enterprises since the beginning of this year. We must make efforts to implement these measures, promptly resolve new problems discovered in the course of implementation, and take steps to improve the measures and gradually develop a mechanism for operating a socialist market economy. At the same time, we must step up our efforts to establish a mechanism for rule of law and democratic supervision. This will be a main focus of Guangdong's political structural reform, which will be undertaken simultaneously with its economic structural reform so that political structural reform will support

economic reform and ensure the healthy development of the socialist market economy.

In discussions with the Shanxi delegation, Ren Jianxin, member of the CPC Central Committee Secretariat, said: Currently, China enjoys economic development, political stability, national unity, and social progress. The situation is generally good. However, we must also realize that safeguarding social stability and public order is an arduous long-term task. We must mentally prepare to take all realistic and effective measures to go all out to safeguard social stability. We must uphold the policy of doing two types of work at the same time, attaching equal importance to both. We must handle the work of safeguarding social stability in the same way we handle the economy.

Speaking at a discussion held by the Hubei delegation, Ni Zhifu, vice chairman of the NPC Standing Committee, said: In building a legal system for the socialist market economy, we must use Comrade Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide, use the Constitution as the basis, proceed from reality, and vigorously but prudently carry out the work in a spirit of reform. He said: We have achieved remarkable results in the legislative field in the last few years. However, law enforcement remains a weak link. Failure to observe the law strictly is still quite serious, and this has led to complaints from many quarters. We must place as much importance on supervising and monitoring law enforcement as on legislation. Only by doing so can we safeguard the authoritativeness of the law.

During a discussion with the Hebei delegation, Wang Bingqian, vice chairman of the NPC Standing Committee, said: In developing the economy, we must pay attention to both quantity and quality, that is, to the unity between speed and efficiency. We must pay closer attention to economic efficiency, without which speed is not only worthless, but may even be harmful. We must pay attention to resolving "bottlenecks" and promote short-term as well as long-term development. We must pay attention to mobilizing positive factors in various economic sectors and jointly develop social productive forces to make people rich and the country strong. We must give equal emphasis to development and conservation to achieve greater, faster, better, and more economic results in production and construction.

During a discussion with the Inner Mongolia delegation, Buhe, vice chairman of the NPC Standing Committee, said: There is a gap between national minority regions and advanced areas in economic development. Doing a good job in national minority work has a positive impact on the stability, development, and prosperity of the entire society. Equality, unity, and mutual assistance among different nationalities serve as a guarantee for economic development and social progress in national minority areas. We must use the Marxist outlook on nationalities to educate the masses of people and to codify and institutionalize our national minority work

along a correct path. We must comprehensively and correctly implement the policy toward religion and strengthen management of religious affairs according to the law.

Taking part in discussions with the Jiangxi delegation, Vice Chairman of the NPC Standing Committee Li Peiyao noted that this year's economic targets are not set very high. He said: This has created relatively good conditions for reform. In administering macrocontrol last year, we found a successful experience, that is we must carry out macrocontrol through financial means instead of administrative means. He also said: On the issue of safe production, we learned some lessons last year. The Government Work Report stresses the importance of safe production more than in the past. Due to the change from the old system to a new one, safe production is particularly important and we must pay good attention to the matter.

Vice Chairman of the NPC Standing Committee Wu Jieping took part in the Shanghai delegation's discussions. He said: The achievements of our country's reform, opening up, and economic development have attracted worldwide attention. However, there are still some problems and contradictions which must be solved by further carrying out reform. At present, we are strengthening macrocontrol, and we must carry forward the spirit of taking the situation as a whole into consideration and "firmly implement the central guidelines and unified planning without exception." We should work with concerted efforts and take the interests of the whole into consideration. We should firmly and truly implement the principle of seizing the opportunity, deepening reform, opening up wider, promoting development and maintaining stability.

State Councillor Chen Junsheng said during discussions with deputies of the Guangdong delegation: Judging from the situation of the whole country, total grain output in 1993 increased and set an all-time record. Nevertheless, there are shortages in the supply of food grain in some locales. This is mainly due to the imbalance in supply and demand. Take the situation in Guangdong for example, the annual grain output was more than 30 billion jin, but the total demand is more than 40 billion jin. Guangdong must buy 10 billion jin of grain from other provinces to make up for its shortage. Moreover, there are many migrants in Guangdong who must also eat. Guangdong must be determined to ensure adequate acreage of land sown in grain crops and raise grain output. We should not only pay attention to economic results, but also pay attention to social benefits. We must strive to raise the level of reliance in the supply of food grain.

State Councillor Ismail Amat took part in discussions with the Tianjin delegation. He pointed out: We are establishing a socialist market economic structure, and the biggest difference between China and the Western countries is that, in China, all activities throughout the nation are coordinated like pieces in a chess game and



there is a great unity among people of all nationalities. We should be proud of this at all times. In past decades, various provinces and municipalities in the country have provided great support to areas resided in by minority people. In the future, the more developed coastal cities and areas should, while developing their economies, further support and help the development of areas resided by minority people.

Ding Guangren, Li Tieying, Yang Baibing, Wu Bangguo, Zou Jiahua, Chen Xitong, Wei Jianxing, Wen Jiabao, Wang Hanbin, Zhang Zhen, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Tomur Dawamat, Chi Haotian, Song Jian, Peng Peiyun, Luo Gan, and Zhang Siqing also took part in discussions, respectively, with delegations from various provinces, autonomous regions, municipalities, and the People's Liberation Army.

#### **Qiao Shi, Li Ruihuan Attend Party for Minority NPC Deputies**

*OW1903191294 Beijing XINHUA Domestic Service in Chinese 1340 GMT 18 Mar 94*

[By reporters Zhang Sutang (1728 1372 1016), and Peng Shujie (1756 2885 2638)]

[Text] Beijing, 18 Mar (XINHUA)—The CPC Central Committee United Front Department and the Nationalities Committees of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] National Committee gave a tea party at the Great Hall of the People this evening in honor of minority deputies and members attending the Second Sessions of the Eighth NPC and the Eighth CPPCC National Committee.

Qiao Shi, NPC Standing Committee chairman; Li Ruihuan, chairman of the CPPCC National Committee; and Comrades Tian Jiyun, Wang Hanbin, Pagbalha Geleg Namgyai, Cheng Siyuan, Tomur Dawamat, Ismail Amat, Yang Rudai, Qian Zhengying, and Liao Hansheng attended the party and joined the minority deputies and members coming from all parts of the country to mark the victorious convocations of the two meetings.

Wang Zhaoguo, vice chairman of the CPPCC National Committee, chaired the tea party. Addressing the party, NPC Standing Committee Vice Chairman Buhe said: Directed by the guidelines laid down by the 14th national party congress and the Third Plenary Session of the 14th CPC Central Committee, and proceeding along the path of building socialism with Chinese characteristics, our great motherland attracted worldwide attention with our high economic growth, political stability, national solidarity, and social progress last year. This year is crucial for restructuring the economic system, and the success of the second sessions of the Eighth NPC and Eighth CPPCC National Committee will be significant for properly handling the relations between reform, development, and stability and expediting all national

projects in all fields through accomplishing the task of overall importance—"seizing the opportunity, deepening reform, opening up wider to the outside world, expediting development, and maintaining stability."

Buhe said: The current situation is very favorable for China's reform, opening up, and modernization; and the situation also provides minority regions with a good opportunity for promoting economic and cultural development. Just as Premier Li Peng stated in his government work report: "Through reforms and opening up to the outside world, minority regions, with state support and economically developed areas' assistance, certainly will demonstrate their own strengths, have stronger vitality for economic development, gradually reduce the gap with economically developed areas, and achieve prosperity with them together." While this reflects the consistent policy of our party and government, it is also the experience acquired from years' of actual work. As long as we are united as one and work hard earnestly, minority areas certainly will achieve new and greater victories in their economic and cultural development.

He said: Deepening reform, opening wider to the outside world, maintaining a sustained, rapid, and healthy national economic development, and ensuring the successful implementation of all reform measures are major issues we must make special efforts to deal with today. Only when we work together to safeguard and develop political stability and unity and consolidate and develop our socialist national relations marked by equality, solidarity, and mutual assistance can we build our great motherland into a happy and harmonious home of people of all nationalities.

Artists of the central national song and dance ensemble and the Central National University Department of Choreography staged an art show at the reception.

#### **Liu Huaqing Stresses Building Spiritual Civilization**

*OW1903185994 Beijing XINHUA Domestic Service in Chinese 1228 GMT 18 Mar 94*

[By reporters Yu Shaoliang (0060 4801 5328) and Yang Guojun (2799 0948 6874)]

[Text] Beijing, 18 Mar (XINHUA)—While taking part in the discussions held by the Hebei delegation, Liu Huaqing, member of the Standing Committee of the CPC Central Committee Political Bureau and vice chairman of the Central Military Commission, said emphatically: In the new situation of deepening reform and opening up wider to the outside world, party, government, and military departments in all localities must further carry out the work of supporting the government and the army and cherishing the people and of building spiritual civilization through the joint efforts of the army and the civilians to guarantee and promote the country's reform and construction.



Liu Huaqing joined deputies from Hebei today to discuss the "Government Work Report" and the work reports of the NPC Standing Committee, the Supreme People's Court, and the Supreme People's Procuratorate. He said: Strengthening unity between the army and government and between the military and civilians is an important element for ensuring the smooth progress of reform and development. It is also vital to maintaining the country's political and social stability.

He continued: Past experience shows wherever the work of "double support" and "building spiritual civilization through joint efforts" is successful, production will develop faster and social order will improve. Therefore, we must adopt new ways to promote the building of spiritual civilization while carrying out the building of material civilization.

After hearing the speeches of seven other deputies, Liu Huaqing spoke on the role of agriculture in the national economy and the reform of state-owned large and medium enterprises. He pointed out: Party committees and governments at all levels must pay closer attention to agriculture and rural work, particularly grain and cotton production. A large country like China cannot do without sufficient grain and cotton. Agriculture is not simply a matter of feeding the people; it is also a major issue vital to China's lasting peace and stability. Currently, we must do a good job of raising the peasants' farming initiatives and achieving a relatively comfortable standard of living. In developing agriculture and promoting the entire rural economy, we must seek to reduce peasants' burden and give them tangible benefits.

Speaking about reforming large and medium enterprises, he said: Among large and medium enterprises, many are old military industrial enterprises. As the focus of the country's agenda is shifted onto economic construction, many old military industrial enterprises have begun to produce civilian goods. In consideration of the country's needs, we must still retain some of the essential military enterprises. Relevant departments of the state are studying measures to help large and medium-sized military industrial enterprises to overcome their difficulties after shifting to production of civilian goods. It is hoped that military industrial enterprises will improve internal management and make concerted efforts to raise economic benefits through reform, as other enterprises have done.

Liu Huaqing said: Hebei achieved great success in all fields of work last year. Not only did its economy developed faster, but its social atmosphere and public order were also quite good. Liu Huaqing urged all localities to deepen reform; open up wider; educate people in patriotism, socialism, and collectivism; stress the larger interests of the collective and the state; and work with one heart and one mind to make greater progress in socialist modernization.

### Qiao Shi Meets Fujian, Xinjiang Deputies

OW1903191394 Beijing XINHUA Domestic Service in Chinese 1210 GMT 18 Mar 94

[By reporters Xu Xingtang (1776 5281 1016), and Wu Yilong (1566 0076 7893)]

[Text] Beijing, 18 Mar (XINHUA)—Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the National People's Congress [NPC] Standing Committee, visited the NPC deputies from Fujian and Xinjiang at the Great Hall of the People this morning.

Meeting with the deputies from Fujian, Qiao Shi said: With the Xiamen Special Economic Zone, Fujian is at the forefront of reform and opening up. The discussion of giving Xiamen legislative power is part of the NPC agenda. Fujian's development has been quite fast since the adoption of the policy of reform and opening up, especially in recent years. While the fast growth can be attributed to the policy, it can also be attributed to the hard work of people in Fujian. Fujian not only has made substantial headway in opening up to the outside world, but also in developing relations with overseas Chinese and countrymen in Taiwan, and you have also attached importance to intensifying material and spiritual construction in the province.

Qiao Shi expressed the hope that Fujian will achieve even greater success under the leadership of the provincial party committee and the provincial government.

On assisting the poor, Qiao Shi said: Fujian is a historical revolutionary bastion. Fifteen months after the Jinggangshan revolutionary base [in Jiangxi] was established, Chairman Mao came down from the mountain and visited western Fujian. In helping the poverty-stricken areas, the central government has been giving preferential treatment to central and western China and has given Fujian the assignment of supporting western Fujian and other poverty-stricken areas in the province. It is hoped that Fujian, while promoting coastal areas' economic development, will also work with determination to build up western Fujian and other historical and mountainous areas in accordance with the central government's requirement that areas which have become affluent first should help impoverished areas achieve prosperity. Historical areas are unlikely to improve without outside assistance. The central government has deliberately given Fujian this assignment so that aid-the-poor programs will be successful nationwide. The central government will have problems if it has to shoulder all the aid-the-poor programs alone. I hope you will make a success of this project.

While meeting the deputies from Xinjiang, Qiao Shi said: Xinjiang is the largest and strategically important region in western China. In recent years Xinjiang has made substantial progress in promoting industrial and other developments as well as in promoting agricultural production and animal husbandry. Of course, Xinjiang's

economic development still lags behind that in coastal areas for historical reasons. From now on, Xinjiang must think of some ways to develop itself in various fields. Xinjiang, a region where minority nationalities live in compact communities, has been quite successful in promoting national solidarity. I hope Xinjiang will continue to strengthen and consolidate the solidarity among people of all nationalities and build up Xinjiang on this basis.

Commenting on relations with neighboring countries, Qiao Shi said: Xinjiang is a neighbor of Central Asian countries. We should develop friendly, equal, and mutually beneficial cooperation with them on the basis of the five principles of peaceful coexistence. While this is very important for maintaining national stability and creating a good international environment for modernization, it is also helpful for strengthening the solidarity among people of all nationalities and for safeguarding national unity. In this regard, people of all nationalities in Xinjiang have a very important mission to accomplish.

Qiao Shi said: Xinjiang also has relatively rich natural resources. In addition to coal, it also has considerable oil reserves and other natural resources. Of course, Xinjiang also has its developmental problems, but these problems can be gradually resolved during the course of reform.

Qiao Shi said: "I wholeheartedly hope people of all nationalities in Xinjiang will unite more closely, work together in carrying out the task of building Xinjiang, and build Xinjiang into an even better place."

Qiao Shi also hoped the current NPC session would further unite people in Xinjiang, boost their morale, and encourage them to do an even better job in all areas.

The NPC deputies from Fujian and Xinjiang pledged that they certainly will expedite economic construction and national solidarity according to the plan drawn up by the party central committee.

#### **NPC Deputies Express Support for Reform Measures**

OW2103035294 Beijing XINHUA in English  
0328 GMT 21 Mar 94

[Text] Beijing, March 21 (XINHUA)—Deputies to the National People's Congress (NPC) have agreed that despite risks involved, new reform measures taken this year will enable China to make a big step towards the establishment of a systemized, standardized and legalized market economy.

Deputies attending the current NPC session expressed their understanding of and support for these measures which will involve a readjustment of interests among social sectors.

The hottest topics during group discussions of the current NPC session include reform of the taxation, finance,

investment and foreign trade systems, and the establishment of a modern enterprise system, since problems are likely to crop up in the course of carrying out these reforms.

Sichuan Provincial Governor Xiao Yang said that reform measures are formulated from a macro-economic angle with the interests of the entire nation and its long-term interests in mind.

Therefore, it is impossible to enable everyone to enjoy the same benefits at the same time. "This is quite normal so far as reforms are concerned," Xiao said.

He said that it is inevitable that some localities, industries, enterprises or individuals will suffer relative interest losses of varying degrees. "I think this problem can be solved gradually in the course of pushing ahead with reforms," he noted.

Inflation is also one of the hottest topics of group discussions by NPC deputies.

Ye Gongqi, a deputy from Shanghai, said, "People are concerned most with their rice bags, vegetable baskets and cooking oil bottles."

If prices rise too rapidly, it will be impossible to stabilize popular feelings, he noted. "While expanding a socialist market economy, we should never take a hands-off policy on prices," he said.

Huang Da, a deputy from Beijing, said society's capability to accept reforms is tested primarily by prices.

Specific conditions in China indicate that an annual rise of around 10 percent in prices is the limit that consumers can accept, he said, noting that exceeding that limit would cause instability.

Many deputies also emphasized the importance of viewing things from the angle of development.

They pointed out that no country in the world has thoroughly eliminated inflation.

With a population of 1.1 billion, China needs a high economic growth rate, they said. At the same time, inflation should be curbed to allow people to gain more tangible benefits.

Another hot topic is how to step up agricultural development and narrow the gap between developed east China and underdeveloped west China.

Many deputies agreed that agriculture is a sector essential to social stability, as well as a sector with poor foundations.

That is why under no circumstances should rural work and farmers' interests be neglected. However, farmers' incomes now do not increase simultaneously with agricultural development, nor do they keep pace with income increases of urban workers, they pointed out.

While complaining that increased production did not result in increased incomes, farmer deputies talked more about how to bring about a relatively comfortable life for farmers.

They agreed that township-run enterprises will play a significant role in helping farmers live a better life.

Despite the fact that reform often means changes in existing patterns of wealth distribution, reform is popular among the deputies.

A survey shows that, of the nearly 3,000 deputies, no one expressed objection to reforms, but some made proposals on and voiced criticisms of specific reform measures.

Li Zemin, secretary of the Zhejiang Provincial Committee of the Chinese Communist Party, expressed the consensus reached by many deputies that although reforms involve risks, they represent the general trend and must continue.

Li said that it is imperative to carefully organize the implementation of reform measures and reduce the risks to a minimum in order to avoid wide repercussions on society.

#### **NPC Deputies Discuss Increasing Peasants' Incomes**

OW1903204394 Beijing XINHUA Domestic Service in Chinese 0431 GMT 19 Mar 94

["Jottings" by XINHUA reporters Pu Liye (5543 4539 2814) and Wu Yilong (1566 1150 7893): "We Should Let Farmers Make A Profit"]

[Text] Beijing, 19 Mar (XINHUA)—It might sound somewhat contradictory that peasants, being those who have to brave the winds and the rains to produce the world's most valuable and special commodities, are the ones often suffering from the difficulties of having a low income. Deputies attending the Second Session of the Eighth NPC reported that a sharp rise in the prices of chemical fertilizers, diesel fuels, and other means of production, as well as a slow increase in grain procurement prices in recent years, have caused the gap between the prices of industrial and agricultural products to widen progressively.

Deputy Ge Lanmei, a peasant from Jiyang Town in Fujian Province's Jianou City, cited her home town as an example: The price of quality chemical fertilizer supplied by the agricultural materials department according to grain output suddenly surged to 1,300 yuan a metric ton in 1993 from 538 yuan in 1992, registering a sharp rise of 142 percent; while that of quality chemical fertilizer for centralized distribution rose to 1,300 yuan a metric ton in 1993 from 775 yuan in 1992, up as much as 68 percent.

Figures provided by the state statistics departments also can illustrate a host of facts: Chinese peasants' per capita

net income for 1993 was 921.4 yuan, an increase of 3.2 percent in real terms from the previous year. This growth rate represented a 2.7 percentage point decline from the previous year and was lower than that of agriculture and the rural economy.

Although their grain harvests piled up like small hills, the peasants' wallets did not expand simultaneously. The production enthusiasm of quite a number of peasants was thus dampened. A deputy from Liaoning Province said: Last year more than 500 farming households at the province's Changtu County gave up a total of 110,000 mu of farmland they had contracted. A Zhejiang deputy put it in an even more acute way: In the past, the peasants were trying by hook or by crook to get more farmland, but now they are asking again and again to return the land instead. If things go on like this, who is going to farm in the future? With what are we going to fill up our rice sacks and vegetable baskets?

How should we solve the problem of slow growth in peasants' income? Deputy He Zhukang, secretary of the Jilin Provincial Party Committee, believes that the key to increasing peasants' income lies in further improving the overall efficiency of agriculture, in addition to rendering supportive policies and state protection. Deputy Cao Hongming, deputy secretary of the Jiangsu Provincial Party Committee, said: At present we should concentrate our efforts on solving four problems: First, we should strictly control the margin of increase in the prices of capital goods. Second, we should stabilize and develop grain and cotton production and develop a diversified rural economy. Third, we should coordinate well the relationship between input and output and implement as quickly as possible the central policy of emphatically aiding 500 major counties for commodity grain and 150 major counties for quality cotton. At the same time, we must increase input into agriculture, especially in the central and western regions where we should give some policy preferences. Fourth, handle well the relationship between the primary industry and the secondary and tertiary industries, consolidate and develop village and town enterprises, and vigorously develop the tertiary industry.

#### **NPC Deputies Discuss Developing Central, Western Regions**

OW2003144194 Beijing XINHUA in English 1409 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—The economic gap between China's east and its central and western regions has been a hot topic of late in the country, so has it during the ongoing session of the Eighth National People's Congress (NPC), with a different emphasis.

NPC deputies are more interested in discussing the significance of developing central and western regions for the future of China and in discussing ways to narrow the gap under a market economy.



Since the opening of the NPC session on March 10, dozens of NPC deputies have aired their views on this issue.

Due to geological, historical and cultural causes, the gap has always existed. Among the 328 poverty-stricken counties, 295 are in the central and western regions.

NPC deputies from the central and western regions said that it is necessary to adopt a realistic attitude towards the gap and narrow it through hard, long-term work.

Cheng Kejie, chairman of the people's government of the Guangxi Zhuang Autonomous Region, said: "The same policies of reform and openness apply to the central and western regions as well as to east China. This should be our point of departure for narrowing the gap."

Yunnan Provincial Governor He Zhiqiang pointed out, "An economy that depends on state support, on an egalitarian policy, or on a mandatory division of market has neither vitality nor future."

A policy researcher from Gansu Province said, the central and western regions should develop through market competition and improvement of efficiency, though state assistance and support from eastern areas are indispensable for the time being.

In the past 10 days, top Chinese leaders exchanged views with NPC deputies of some 20 provincial-level delegations, of which the overwhelming majority are from central and western provinces and regions. The leaders have repeatedly underscored the central authorities' concern for the economically underdeveloped areas.

A number of motions submitted to the current session demand that narrowing the gap between the east and the rest of China be slated for economic legislation and that economic laws include support for economically underdeveloped areas.

In short, accelerating development of central and western regions is a consensus reached at the current NPC session.

The central and western regions account for 89 percent of China's land area, people there take up 64 percent of the national population, and borderline extends more than 20,000 kilometers.

Some NPC deputies said, the central and western regions have opportunities and advantages to accelerate development. With implementation of the new opening up strategy, the vast central and western regions will play a role of growing importance.

Rich natural resources are another main advantage of the central and western regions. A guideline for China's economic development in the next decade is to shift the energy- and raw material-gobbling industries to areas which have rich energy and other natural resources.

The industrial shift will bring opportunities for western areas. For instance, Qinghai Province will have the unique advantage of developing power, mining, metallurgical and salt chemical industries.

Many deputies pointed out, the large number of old enterprises, military industrial firms and strong technological force in the central and western areas provide a sound basis for attracting overseas funds.

Some deputies from the western regions have identified their deficiencies in comparison with eastern areas. Cui Lintao, mayor of Xian city in Shaanxi Province, said that the eastern areas have mobilized, organized and made good use of economic factors such as labor, professionals, technology and funds while in the rest of China, especially in Shaanxi Province, many economic factors are lying idle or being wasted. "This should be solved from the causes of the system and concepts," he said.

The Chinese Government has decided to implement a program rooting up poverty and helping the 80 million people below the poverty line have sufficient food and clothing by the turn of the century. NPC deputies expressed their hearty support for the program.

They said economic development in the central and western areas should give priority to agriculture, especially the construction of water conservancy projects. They also stressed the development of local resources and rural enterprises. At present rural enterprises in the central and western regions accounted for only 35 percent of the national total.

The State Council has decided to earmark loans to support rural enterprises in central and western regions from 1993 to 2000.

Moreover, the Ministry of Agriculture has worked out a program to promote cooperation of rural enterprises between the east and the rest of China, including 100 pilot cooperative zones and 1,000 pilot projects.

Some economists among the NPC deputies said that such cooperation will benefit both sides. With the development of productive forces, new industries, products, technology and management expertise should shift from the east to other parts of the country. Otherwise, further development in the east will be impeded.

Jiangsu Province Governor Chen Huanyou said the coastal provinces must find the driving force for their economies from the central and western regions if they want to maintain a long-term high growth rate. "Without development of the central and western parts, development of the eastern areas will be restrained in the long run," he added.

Jiangsu, which has developed processing industries but lacks natural resources, has established good relations with Xinjiang Uygur and Ningxia Hui Autonomous

Regions and Gansu and Shaanxi Provinces in the northwest. It has provided skilled workers, equipment, technology and information while setting up a number of enterprises to develop local resources.

Shanghai Mayor Huang Ju said the cooperation of the eastern part with the rest of China means integration of advanced technology, financial resources and management experience in the east with rich raw materials, energy and labor force in the rest of the country. The integration will promote development of rural enterprises in the central and western areas while expanding new channels for the east to adjust its industrial structure and update products.

Deputies from Shanghai and coastal provinces such as Guangdong, Fujian, Zhejiang and Shandong said they have established various economic ties with central and western regions.

Deputies from the central and western regions have also reported encouraging news of their economic progress during the current NPC session. Many sleepy, remote border towns have become busy trade centers.

When talking with deputies from Shaanxi Province, Vice Premier Zhu Rongji said that the vast central and western regions have a great potential. The economic takeoff of China's central and western regions is the country's hope in the 21st century.

#### Deputies on 'Fierce Challenges' Facing Rural Enterprises

OW2003142394 Beijing XINHUA in English  
1322 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—When China set the goal to invigorate state-owned enterprises years ago, farmer-turned entrepreneurs reacted with indifference since they did not regard state enterprises as their rivals on the market.

Times have changed, however. At the current session of the National People's Congress (NPC), rural entrepreneurs among the NPC deputies claimed, "rural enterprises will face fierce challenges from state-owned enterprises in fair market competition."

Li Xianguo, an NPC deputy from northern Jiangsu and a farmer-turned entrepreneur, used a vivid phrase to express his sense of crisis—"When the tiger comes down from the mountains, what can the monkey do?"

Li is the general manager of the Zhaonian Industrial Corporation, a rural enterprise in the suburbs of Xuqian city. His corporation has 13 factories building ships, making steel window frames and processing grain.

In Li's parlance, "the tiger" refers to state-owned enterprises and "the monkey" refers to rural enterprises like his own. He was talking about state enterprises entering the market and constituting a challenge to rural enterprises.

Rural enterprises created by farmers came into China's economic arena as a new, sudden rising force in the 1980s and gradually developed to take a one-third share of the national economy.

Last year rural enterprises produced 3,000 billion yuan worth of products and made pre-tax profits of 300 billion yuan.

Today, 20 million rural enterprises nationwide have become "reservoirs" that absorb rural surplus labor as well as "money bags" for farmers. By the end of last year rural enterprises had employed 110 million farmers. Two-thirds of farmers' increased income comes from rural enterprises.

Chinese Premier Li Peng said in his government work report, "If the countryside is to become moderately prosperous, it is essential to develop township and village enterprises."

Rural enterprises' role in ensuring social stability in rural China, boosting its economy and narrowing the gap between urban and rural areas cannot be ignored.

The reason why rural enterprises have developed rapidly is that they have management flexibility which state-owned enterprises lack and that they outpaced state-owned enterprises in entering the market when the latter emphasized production to the neglect of sales.

When reforms are changing the way state-owned enterprises operate and creating conditions for them to compete on an equal footing with their rural counterparts on the market, the latter are beginning to feel the heat, in terms of market share and relative advantage.

Li Guilian, a woman farmer-entrepreneur from northeast China, said, "We rural enterprises outdid state enterprises when their hands and feet were bound by central planning. Previously we had the advantage of being flexible; and now they are becoming more flexible, too. We and state enterprises now face the same market and are at the same starting point. Rural enterprises will have a hard time ahead."

Li is the chairman and general-manager of the Dayang Garment Company Group in Liaoning Province. Her enterprise was started 14 years ago by dozens of women farmers with their own sewing machines. Today, the company group employs 7,000 people and has 42 factories with total assets of 510 million yuan. Fourteen of its 16 garment factories have used foreign investment and export 90 percent of their products. Last year their foreign exchange earnings amounted to 56 million U.S. dollars.

Li, 48, who is an NPC deputy for a second five-year term, said, "I often tell my workers that rural enterprises are now under the threat of a mountainous wave. We must learn swimming in the big wave to avoid being buried."

Many farmer-turned entrepreneurs maintain that rural enterprises are in a disadvantageous position because of their scattered distribution and small scale. An overwhelming majority of rural enterprises are located in villages, with only 12 percent in towns and one percent near county seats. They are far from markets and ill-informed.

Moreover, they are innately deficient in terms of equipment, technology, management and worker quality.

With the introduction of a new tax system, rural enterprises have lost their previous tax breaks. Other factors have also eaten into their erstwhile advantages: more expensive land resulting from a state policy on paid use of all land, more expensive labor, more expensive loans resulting from more channels of lucrative investment for idle money.

Farmer-turned entrepreneurs maintain that, faced with challenges, rural enterprises in different localities and with different capabilities will feel different degrees of pressure. For instance, well-established rural enterprises in the south and coastal areas are more adaptable to the challenges.

Li Xianguo from Jiangsu Province said that since rural enterprises have outpaced state-owned enterprises in entering the marketplace, they have more highly qualified salesmen and are not overburdened by retirees.

Li Guilian from Liaoning Province said that, since the market system is improving, it is possible to compete on a fair basis according to laws of the market. Rural enterprises are also granted with export right. The new tax system makes her company sustain an additional tax of three million yuan, which she said is acceptable. Last year her company paid 10 million yuan in taxes.

You Junming, president of the Jiangsu Hongyu Group Company, a rural cosmetic enterprise, said his company will adapt to the challenges with calm, by expanding scale, introducing a shareholding system, modernizing management and opening international markets.

Wu Renbao, manager of the Huaxi Industrial Corporation in Jiangsu Province, said that, in market competition, rural enterprises and state-owned enterprises have more cooperative opportunities and they can share their advantages and seek common development under common interests.

In his government work report, Chinese premier emphasized that the government will continue to support township and village enterprises, especially in the central and western regions. To this end the government has already adopted a series of measures.

## Two New Members Elected to NPC Standing Committee

OW2103041394 Beijing XINHUA in English  
0334 GMT 21 Mar 94

[Text] Beijing, March 21 (XINHUA)—A woman general and a Hong Kong entrepreneur were by-elected [as received] members of the Standing Committee of the Eighth National People's Congress (NPC) here today.

Nie Li, lieutenant general of the Chinese People's Liberation Army, is a native of Jiangjin County of Sichuan Province. Born in September 1930, she joined the Communist Party of China at the age of 19. She majored in automatic control in the Leningrad Institute of Precision Machinery and Optical Instruments from 1955 to 1960. After returning to China, she worked in the Ministry of National Defence, the Navy Equipment and Technical Department, the Central Military Commission and the Commission of Science, Technology and Industry for National Defence. She is vice-chairwoman of the All-China Women's Federation. She has been deputy to the 6th-8th NPC.

Nie is daughter of late Marshal Nie Rongzhen.

Tsang Hin-chi, born in Meixian County of Guangdong Province in February 1934, is vice-chairman of the All-China Federation of Industry and Commerce, a member of the preliminary work committee for the Hong Kong Special Administrative Region, an advisor on Hong Kong affairs, and chairman of the Goldlion Holdings Co., Ltd. of Hong Kong.

Tsang graduated from the biology department of Zhongshan University in 1961. He went to Thailand in 1963 and to Hong Kong in 1968 to set up Goldlion (Far East) Co., Ltd., and incorporated the Goldlion Holdings Co., Ltd. in 1992.

He has been deputy to the 7th and 8th NPC.

Tian Jiyun, an executive vice-chairman of the Presidium, presided over today's meeting, which also deliberated a draft decision on renaming the NPC Environmental Protection Committee the NPC Environmental and Resources Protection Committee.

## NPC Deputies Discuss Scale of Investment

OW2103060194 Beijing XINHUA Domestic Service in Chinese 1331 GMT 20 Mar 94

["Jottings on the Two Sessions" by reporters Zhang Jinsheng (1728 6930 0524) and Li Anding (2621 1344 1353): "The Dialectics of the Scale and Amounts of Investment"]

[Text] Beijing, 20 Mar (XINHUA)—When discussing the excessively large investment scale—a major contradiction in the country's current economic operations—deputies attending the Second Session of the Eighth



National People's Congress [NPC] focused their discussions on the scale and amounts of investment—they tried to use this dialectical relationship to ensure sustained, rapid, and healthy development of the economy.

Last year, China's total investment accounted for nearly 50 percent of the country's national income, and the investment structure was irrational. Then, just how big an investment scale is appropriate? The deputies said we should follow the principle proposed by experts in this field—that is, the proportion of a nation's investment should be decided based on the nation's economic development stage, the level of its economic development, and its current economic development conditions. If the investment scale is too small, it is difficult for its economy to develop rapidly. If the investment scale is too large, its industrial production will inevitably grow at a high speed, directly resulting in excessive currency issuance and acute shortage of funds, consequently prompting sharp increases in the prices of capital goods and retail prices. The scale of investment has a direct effect on whether a basic balance can be maintained between the total supply and the total demand—we must never underestimate its effect.

In investing, another problem warrants our attention—that is, we should properly handle the amounts of investments. The deputies were of the opinion that good steel should be used for making the knife's edge—we should use more funds for developing the "bottleneck" industries, such as the transportation, communications, energy, and raw and processed materials industries, which have impeded the country's economic development; and should not invest a lot of money in building luxury houses and recreational facilities and in real estate development. In other words, we should refrain from doing things that are not in line with the country's current economic development level and the people's living standards. The deputies said: We should do things according to economic law and set our eyes on the overall situation and long-term objectives. We must invest more where we need to and resolutely curtail investment where we need not to invest large amounts—we must not put the cart before the horse.

#### **Zhou Nan Recalls Deng Xiaoping's Warning to Britain**

*OW1903112294 Beijing Central People's Radio  
Network in Mandarin 1100 GMT 18 Mar 94*

[From the "Special Program on the NPC and CPPCC Sessions"]

[Text] As early as 1982, during talks with Margaret Thatcher, Comrade Deng Xiaoping hit the nail on the head when he pointed out that there might be major man-made disturbances during the transitional period before Hong Kong's return to China, and these disturbances would be created not just by foreigners—chiefly the British—but also by the Chinese. In a recent interview with station correspondent Li Xiaoli, Zhou Nan,

member of the National People's Congress [NPC] Standing Committee and director of XINHUA NEWS AGENCY Hong Kong Branch, specially spoke about Comrade Deng Xiaoping's farsightedness and great insight as regards the Hong Kong issue.

Zhou Nan said: [begin recording] With his farsightedness and great insight, Comrade Xiaoping long ago said we are not worried about the future of Hong Kong after 1997, because the Chinese people and their government will honor their words after 1997. What we are worried about is the transitional period. As of (?1984) there were still more than a dozen years before the transitional period came to an end. He was worried that problems might occur during this time. Some might try to create disturbances. He particularly mentioned that these disturbances could be created chiefly by the British. Further, he also issued certain warnings to the British, asking them not to engage in certain acts such as removing all money reserves or wasting money in a flagrant manner. At the same time, he also warned them not to attempt to put together a ruling apparatus to impose on the special autonomous region. It turned out these are the very things the British are doing. Everything Comrade Xiaoping warned them about doing at the time has been done by them. [end recording]

#### **Zhou Nan Discusses Work of SAR Preliminary Committee**

*OW1903114694 Beijing Central People's Radio  
Network in Mandarin 1100 GMT 18 Mar 94*

[From the "Special Program on the NPC and CPPCC Sessions"]

[Text] Listeners, there are only three years left before the Chinese Government begins to exercise China's sovereignty over Hong Kong. Over 100 years of British colonial rule in Hong Kong will soon end. In light of Britain's uncooperative position, and pursuant to a National People's Congress [NPC] Standing Committee decision, the Preliminary Working Committee of the Preparatory Committee [PWPC] of the Hong Kong Special Administrative Region [SAR] has begun its work.

Speaking about Premier Li Peng's instructions to the PWPC in his government work report, Zhou Nan, PWPC vice chairman and director of XINHUA NEWS AGENCY Hong Kong Branch, said: [begin recording] The PWPC has become operational, entering the stage of practical work. Its main mission is to guarantee Hong Kong's prosperity and stability in the last stage of Hong Kong's transitional period, and to ensure a smooth transition in 1997. This is its major task. The PWPC will undertake effective preparations for the SAR Preparatory Committee. The PWPC shoulders a grave responsibility. However, I do not envision any unsurmountable difficulties. As a result of Chris Patten's fracas, Hong Kong compatriots have obtained a deeper understanding of Chris Patten's true face. For people

across the country, it is a living education in patriotism. I believe we can successfully carry out the tasks entrusted to us by the NPC Standing Committee, live up to the expectations of people across the country, and complete preparations for Hong Kong's triumphant return to the motherland and the Chinese Government's exercise of sovereignty over the region. We are confident of accomplishing these tasks. [end recording]

### **Chen Junsheng Discusses Aid for Impoverished People**

*OW1903194594 Beijing Central People's Radio Network in Mandarin 2300 GMT 18 Mar 94*

[By station reporter Yang Fan; from the "NPC and CPPCC Special Sessions" program—passages within quotation marks recorded]

[Text] Listeners and friends, the party and government have always showed much concern for the productivity and lives of people in impoverished areas, and attached much importance to aiding them. Tremendous achievements have been made in the work since the Third Plenary Session of the 11th CPC Central Committee. In particular, since reform and opening up, the party and government have taken various measures to strengthen work for helping the poor. For example, funds have been increased and traditional means of helping the poor have been readjusted and improved to change the nature of such work from a relief to a development orientation.

It has been proven in practice that implementing development-oriented work for aiding the poor by taking into account market demand, relying on scientific and technological progress, as well as developing and utilizing resources of impoverished areas to promote commodity production, not only can solve the problem of inadequate supplies of food and clothing, but can also help get rid of poverty and encourage prosperity. Currently, the measures have fairly rapidly changed the outlook of a considerable number of long impoverished areas.

However, as China is a fairly large country with different local situations and unbalanced development, progress in some areas is still fairly slow and a number of people have yet to be extricated from poverty. In particular, a small number of people in especially poor areas are still living under very difficult conditions.

Recently, the State Council formulated a program aimed at extricating 80 million people from poverty in seven years, and declared a final war against poverty. During the ongoing two sessions [the Second Session of the Eighth National People's Congress and the Second Session of the Eighth Chinese People's Political Consultative Conference National Committee], this station reporter Yang Fan interviewed State Councillor Chen Junsheng, head of the State Council's Leading Group for the Economic Development of Impoverished Areas.

Yang Fan: "Mr Chen, I am a reporter from the China National Radio. One of our government's major tasks

this year is to help impoverished people. Can you tell us what the government's tasks are in this regard?"

Chen Junsheng: "The goal of our program for aiding the poor is to extricate 80 million people from poverty in seven years. We will help them solve the problem of inadequate food and clothing. We will help them get rid of poverty and ultimately become prosperous and achieve a comfortable standard of living. We should not wait until the next century, but must accomplish this task within the present century."

### **Liu Huaqing Asks Army To Better Support Government**

*OW1803134094 Beijing XINHUA in English 1307 GMT 18 Mar 94*

[Text] Beijing, March 18 (XINHUA)—Liu Huaqing, a top leader of China's Armed Forces, today urged the Army to better support the government and cherish the people, and the governments to better support the army and cherish the people.

Liu, vice-chairman of the Central Military Commission, said that strengthening the unity between the Army and the government and between the Army and the people is essential to the success in reforms and economic growth, and to China's political and social stability as well.

Both the Army and the people should make concerted efforts to promote ideological and cultural progress, he said.

Committees of the Chinese Communist Party and governments at all levels must pay close attention to agriculture and rural work, particularly grain and cotton production, he said in a group discussion about the government work report with deputies from Hebei Province to the National People's Congress.

Liu, who is also a Standing Committee member of the Political Bureau of the party Central Committee, described agriculture as an issue closely related to China's long-term stability.

"At present, we must arouse farmers' initiative for production and help them achieve relatively comfortable living standards," he said.

To this end, it is imperative to relieve farmers' financial burdens and enable them to gain tangible benefits, he added.

The leader said that many major state-owned enterprises are military factories, adding that the government is formulating new measures to help these factories manufacture civilian goods and solve their problems in operation.

Liu Huaqing also asked local governments to educate the local people in patriotism and collectivism in the course of speeding up reforms and opening wider to the rest of the world.

**Ismail Amat, Xinjiang Leaders Note Importance of Unity**

*OW1903194794 Beijing XINHUA Domestic Service in Chinese 0722 GMT 19 Mar 94*

[Article by XINHUA correspondent Lou Wanghao (2869 2598 4110) and XINHUA reporters Zheng Qingdong (6774 1987 2639) and Liu Haimin (0491 3189 3046): "Xinjiang's Three Chairmen Discuss Unity"]

[Text] Beijing, 19 Mar (XINHUA)—"The Han Nationality cannot live apart from minority nationalities, and minority nationalities cannot be separated from the Han nationality."

"The greater the unity among various nationalities, the more secure reform and development. Xinjiang attests to this point."

Xinjiang deputies Ismail Amat, Tomur Dawamat, and Abulaiti Abudurexiti made these remarks when they met together at the ongoing National People's Congress [NPC] session. Their discussion invariably reverted to the topic of strengthening unity among various nationalities.

Ismail Amat, currently state councilor and minister in charge of the State Nationalities Affairs Commission, was formerly chairman of the Sixth Xinjiang Uygur Autonomous Regional Government. Tomur Dawamat, currently vice chairman of the Eighth NPC Standing Committee, was formerly chairman of the Seventh Xinjiang Uygur Autonomous Regional Government. Abulaiti Abudurexiti was recently elected as chairman of the Eighth Xinjiang Uygur Autonomous Regional Government. They are good friends and native-born Uygur cadres, who have devoted themselves to Xinjiang's social construction. When they got together during the current session, they talked about Xinjiang's past, present, and future, particularly dwelling on the importance of strengthening unity among various nationalities, which is the cornerstone of national stability and unity.

Ismail Amat said: "Premier Li Peng's Government Work Report got it right and struck a chord with people of various nationalities. The report was especially on target regarding the question of unity and stability."

Tomur Dawamat and Abulaiti Abudurexiti nodded in agreement and said: "Tuohela, tuohela (Uygur for 'that is right')."

The three men found time to get together during a break from the deliberation of the Government Work Report by the Xinjiang delegation. Ismail Amat said insightfully: "Ours is a united, multinational country. Strengthening unity among various nationalities serves the fundamental interests and reflects the common aspirations of people of various nationalities across the country. Xinjiang is a multinational region where the task of promoting unity among various nationalities is vitally important. Practice has proved this truth. When our task

of promoting unity was successful, our society would enjoy stability and our economy would develop rapidly."

Tomur Dawamat added: "Unity among various nationalities in Xinjiang has stood the test and is firmly founded." He made a gesture and said: "Since reform and opening up, Xinjiang's economy has been on an upswing, with the agricultural sector reaping bumper harvests for 16 consecutive years and the people enjoying ever-improving living standards. What did we rely on? The party Central Committee's correct leadership aside, a very important factor has been unity among people of various nationalities, without which Xinjiang would not have found itself in a favorable situation characterized by prosperity. Today, people of various nationalities in Xinjiang are increasingly aware that the Han nationality cannot live apart from minority nationalities, and that minority nationalities cannot be separated from the Han nationality."

Abulaiti Abudurexiti, who is attending the session as a nonvoting delegate, worked at the grass-roots level for many years after graduation from university. He grew soulful when discussing this matter. He said: "Unity among people of various nationalities is the prerequisite and guarantee for national stability and development. Without unity, there would be no rallying power and we would not be able to accomplish the tasks entrusted to us by history. Xinjiang's development in recent years testifies to this point."

Ismail Amat said in a ringing and forceful voice: "While people of various nationalities should show unity, there is a greater need for leading cadres of various nationalities to lead the way in promoting unity. This is an important aspect of our work."

"Tuohela!"

"Tuohela!"

The other two leaders nodded their approval.

These are sincere words that reflect true feelings; they also convey the wishes of 16 million people of various nationalities in Xinjiang.

**Gansu Vice Governor Rejects Slow Growth Rate**

*HK2103061094 Hong Kong SOUTH CHINA MORNING POST in English 21 Mar 94 p 7*

[By Chris Yeung in Beijing]

[Text] A provincial leader of poverty-stricken Gansu has shrugged off the central Government's order for a slower pace of economic growth.

Lu Ming, a vice-governor, said Gansu needs a more rapid growth rate to lift the people out of abject poverty.



He said: "(Vice-Premier) Zhu Rongji can make his criticism. We will be going ahead with our own plan. We are so poor that (a slow growth rate) should not be applied to us."

"Gansu is a piece of land without God's blessing," he lamented, referring to the poor physical condition of the central province.

Rain has fallen mainly on the mountainous area in the eastern part of the province while the vast plains to the west, suitable for cultivation, have been scorched by drought.

The average annual income of farmers in Gansu last year stood at 550 yuan (HK\$488). Four million people, most of whom live in the mountainous area, earned less than 400 yuan. They are part of the 80 million people across the nation classed as not having enough food and clothing.

Mr Lu said the only way to solve the problem was to quicken the speed of reform towards building a market economy.

"Now that the central leadership has abandoned the planned economy and adopted the road of the market economy, it is a golden opportunity for us.

"We will promote the growth of the private economy," he said.

Unlike ethnic minority regions such as Xinjiang and Tibet, where there are racial disputes, Gansu has not been a priority on the list of recipients of subsidies from the central government.

"Funding is our major problem. Our annual total revenue is about 5.3 billion yuan. But very little is left for construction after paying salaries (for government workers).

"We will have to rely on local funds. There is more than seven billion yuan in the hands of the people."

Mr Lu is hoping the modest funds will be pooled and used in the most cost effective way to enliven the economy.

The poor region will also take measures to keep the funds of local enterprises in the province, following an outflow of capital to the coastal region for speculative activities such as real estate development last year.

Mr Lu believed that the momentum of growth in Gansu would be no less than in other regions of the mainland.

"Our growth rate this year will be an average figure for the nation. I believe that will be above nine percent. We will stick to nine percent as the starting point, but we hope to go a bit faster," the provincial leader said.

"China is at the early stage of industrialization... The phenomenon of part of the population getting rich first will exist.

"We (were the first to) raise the issue of the gap in income between the west and east. Efforts from both the central Government and the regions are needed if we want to solve the problem," he said.

### Heilongjiang, Hebei NPC Deputies on Role of Legislatures

OW1803204194 Beijing XINHUA Domestic Service in Chinese 0229 GMT 17 Mar 94

[By reporters Xu Jiangshan (1776 3068 0810) and Gao Shuhua (7559 3219 5478)]

[Text] Beijing, 18 Mar (XINHUA)—At the Beijing International Hotel this morning, Sun Weiben, chairman of the Heilongjiang Provincial People's Congress [PPC] Standing Committee, and Lu Chuanzan, chairman of the Hebei PPC Standing Committee, answered Chinese and foreign reporters' questions on issues concerning local people's congresses.

Commenting on difficulties in supervising "local governments, courts, and procuratorates," Sun Weiben said that the biggest problems are people's concepts, understandings, and habits. On the one hand, people's congresses have to develop their skills in executing their supervisory tasks; on the other hand, "local governments, courts, and procuratorates" need an adjusting and accepting process for such supervision. He said that at present they are gradually resolving the problems.

Chinese and foreign reporters were concerned what powers local people's congresses have and how they use them. Lu Chuanzan provided a four-part answer to a reporter's question. He said: First, the Hebei PPC has made major progress in legislative work. As of the end of 1993, the Hebei PPC and its standing committee have formulated and approved 92 local laws and regulations; have made 19 legal resolutions and decisions; and have approved 6 autonomous regulations for autonomous counties. The total number was 117. Second, the PPC exercises its supervisory power over "local governments, courts, and procuratorates," mainly by hearing and deliberating their work reports, and by organizing deputies to inspect and examine the enforcement of laws and regulations, and to evaluate their work performance. Third, the PPC discusses and decides major issues affecting its various administrative areas. Fourth, the PPC chooses, appoints, and dismisses leaders of local state organs according to law.

A reporter asked: What issues has local legislation emphasized? Sun Weiben answered: Between 1979 and 1993, the Heilongjiang PPC has formulated 98 local laws and regulations, mainly relating to economic tasks. The number of economic laws and regulations accounted for 60 percent of the total number of formulated regulations. Besides, our legislative work has also stressed promoting scientific and technological progresses and achievements. The general requirement is that our local legislation on economic tasks should basically enhance the establishment of a socialist market economy.

A reporter, interested in Sun Weiben's concurrently holding posts as secretary of the Heilongjiang Provincial Party Committee and chairman of the Heilongjiang PPC, asked him how he handled the relations between the two posts. Sun Weiben said: The two posts, in principle, do not conflict with each other. Both the party's guiding principle and the people's congress's work objective aim at the same end. As the party committee and the executive organs differ in their natures and work styles, their functions are not interchangeable. The provincial party committee supervises "local governments, courts, and procuratorates," mainly by implementing political and ideological principles; whereas the PPC mainly supervises the enforcement of laws and regulations and work performance of "local governments, courts, and procuratorates."

#### **NPC Deputy Asserts Shanghai Not To Replace Hong Kong**

HK1803145794 Beijing ZHONGGUO XINWEN SHE  
in English 1155 GMT 18 Mar 94

[Text] Beijing, March 18 (CNS)—The future status of Shanghai as an international financial centre can in no way replace Hong Kong's status, but the two cities will have a complementary relationship with each other, deputy to the National People's Congress and acting president of the Shanghai branch of the Bank of China Mr. Liu Jinbao said today. He added that the advantages resulting from a place in the international market by Shanghai and Hong Kong would play an irreplaceable role for China's economic development.

Mr. Liu said that he believed both places had their own merits. Shanghai as a financial centre in the Far East since the 1930s has seen a vast annual amount of imports and exports by reason of its sound geographical location. The municipality now boasts a strong economic base with many financial professionals. The 350-sq. kilometre Pudong economic development zone will be of great economic might with branches of 28 foreign-funded banks and representative offices of 60 other foreign-funded banks there at present, ranking the municipality first among the cities in the country in terms of the number of such establishments.

Shanghai, however, cannot replace Hong Kong as an international financial centre in Far East Asia for several reasons, including, first, the well-established financial system in Hong Kong which had made it an international financial centre widely recognized for its sound operation. The territory possesses a free port, the gathering of professional personnel in various fields and good investment and geographical location, while Shanghai cannot develop into a free port in near future.

Second, Shanghai is scheduled to become an international financial centre by the year 2010. Before that date, the municipality can only be a domestic financial centre and lag behind Hong Kong for at least 20 years.

Third, once the municipality becomes an international financial centre, the Chinese government will have no intention of replacing Hong Kong with Shanghai nor will it weaken the territory's function and status. It is recognized that the two places can at the same time do good to China with their status in the international financial market.

The Shanghai government, according to Mr. Liu, has called for the removal of the headquarters of the Bank of China to the municipality. He, however, believed that such an idea was loaded with difficulties, including communications and transport which are yet to be improved. The idea could, however, be achieved in two phases involving first the removal of the international department of the bank to Shanghai and then the department as well as capital would go to Hong Kong after 1997, while the headquarters remained in Shanghai. Such a move had precedents in the international community with Japan, for example, where many banks have their headquarters in Osaka, while their international businesses departments remain in Tokyo.

#### **Qiao Shi Visits Fujian, Xinjiang NPC Deputies**

OW1803140094 Beijing XINHUA in English  
1254 GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—Chinese leader Qiao Shi paid a visit to Fujian and Xinjiang deputies to the Eighth National People's Congress (NPC) here today.

Qiao, chairman of the NPC Standing Committee and one of the top seven leaders of the Chinese Communist Party, said that Fujian Province has developed rapidly thanks to the reform and open policies and efforts made by local people and officials.

He hopes that Fujian provincial authorities will help old revolutionary bases, mountainous areas and other poor places develop economy and get rid of poverty.

Talking with deputies from Xinjiang Uygur Autonomous Region, Qiao said that Xinjiang is not only the biggest region in land area in China, but also has a very important strategic position.

Bordering on Central Asian countries, Xinjiang is inhabited by many minority nationalities and abounds in coal and petroleum resources.

He urged the region to strengthen unity of all nationalities and develop its economy and other undertakings.

On relations with neighboring countries, Qiao said that China will develop friendly relations with all countries on the basis of the five principles of peaceful co-existence and cooperation of mutual benefits so as to provide favorable international conditions for China's modernization program.

### Sichuan Deputies Stress Guidance for Migrant Workers

OW1803134994 Beijing XINHUA Domestic Service in Chinese 1230 GMT 17 Mar 94

[Article by XINHUA reporters Wang Haizheng (3769 3189 1767) and Li Pei (2621 3805): "Walk Out of the Basin To Join in the Orderly Flow—Sichuan Deputies Freely Discuss the 'Wave of Laborers'"]

[Text] Beijing, 17 Mar (XINHUA)—Last year, 5 million peasant laborers from Sichuan remitted more than 5 billion yuan to the "land of plenty" after a year's hard work.

Xie Shijie, secretary of the Sichuan Provincial Party Committee and a deputy to the Second Session of the Eighth National People's Congress [NPC], told the reporters: Premier Li Peng's government work report stated: A rational flow of labor is an objective requirement for and an inevitable trend in economic development. We should actively steer this flow and strengthen our management in an organized and step-by-step fashion. Premier Li Peng's remarks are amply correct. A rational and orderly flow of labor, rather than a haphazard and unrestrained one, will not only satisfy the demands of economically developed regions but will also help people in less developed regions cast off poverty and become well-to-do. Sichuan is a densely populated farming province with 93 million peasants. In carrying out rural work, Sichuan should develop village and town enterprises and export labor services while stabilizing grain output, increasing revenue, and making structural readjustments. What we need to do is to provide active guidance and intensify our efforts to manage and serve the labor market.

In recent years, the massive flow of surplus rural labor to the cities turned into a "wave of laborers," gradually becoming one of the hot topics of concern to people in all circles. Some deputies from Sichuan said: The "wave of laborers" has indeed created strong pressure for railways, public security, communications, and labor departments. However, this is a problem that has surfaced in the course of reform and development and should therefore be solved through the means of reform and development. We should provide guidance through such measures as speeding up communications and urban construction projects, developing small towns, and improving rules and regulations governing labor markets and related matters.

Sichuan Governor Xiao Yang said: Large labor-exporting counties that each provide more than 100,000 laborers and earn 100 million yuan have sprung up in Sichuan Province. Every 100 outbound laborers can help one village cast off poverty. Rural laborers working outside the province can save grain, earn money, and even "be educated" in that they bring back technology and information; some of them even set up enterprises after returning to their hometowns. Regions that bring in such laborers gain even more benefits because the

laborers help fill the "gap" in their work forces, lower production costs, and accelerate economic development. This is the "third wave" of rural labor migrating to other regions since the promotion of the household contract responsibility system with remuneration linked to output and the ascendancy of village and town enterprises. Some deputies maintained: Compared to the "journey to the Northeast" and the "trip through the western gateway of the Great Wall," today's "wave of laborers" is no longer a flight from famine to eke out a living elsewhere but an "offensive" launched of the laborers' own accord in the quest for a comparatively comfortable living standard. Deputy Zuo Mingzhong said: "Peasant laborers, peasant laborers! They have contributed to reform. [no closing quotation marks as received] In dealing with the "wave of laborers," we should follow the example of Li Bing [an ancient water conservancy expert] and his son in repairing the Dujiang Weir, properly steering the wave to ensure that it will become a rational and orderly flow, rather than a haphazard and unrestrained one.

### Heilongjiang Governor on Seizing Opportunity, Reform

OW1803131794 Beijing Central People's Radio Network in Mandarin 2230 GMT 16 Mar 94

[Interview with Heilongjiang Governor Shao Qihui by reporter (Yang Zhaopan); place and date not given; from the "News and Press Review" program—recorded]

[Text] Listeners, since the opening of the sessions of the National People's Congress [NPC] and the National Committee of the Chinese People's Political Consultative Conference [CPPCC], the 20-character principle, namely seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability, has become the consensus of deputies and members. (Yang Zhaopan), correspondent of this station, interviewed Deputy Shao Qihui, governor of Heilongjiang Province, on this principle.

[Yang] Governor Shao, the central authorities have proposed the principle of seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability as the overall interests for the work of the entire party and state. Could you talk about your views on this issue?

[Shao] The central authorities' 20-character principle concerning the overall interests not only tallies with the national situation, but also completely conforms to the (?overall) situation. The essence of the 20-character principle, namely opportunity, reform, opening up, development, and stability, is brought up in a definite and appropriate way. For example, seizing the opportunity. As opportunities do not last long, we must seize them. As far as Heilongjiang is concerned, a very important opportunity for the province these years has been the central authorities' (?policy) concerning opening up border areas. By opening up border areas, Heilongjiang



has made significant development in economy and foreign trade over the past years. I have noticed that the central authorities are particularly concerned with the problems of agriculture and large- and medium-sized enterprises. Under the current situation, we should seize the opportune time at which the development of agriculture and invigoration of large- and medium-sized enterprises are proposed by the central authorities to boost the development of these two sectors in Heilongjiang.

As for deepening reform, reform has been launched for a decade or so; how we should deepen reform is [words indistinct]. Talking about opening up wider, although Heilongjiang Province has been stepping up the pace of opening up border areas in the past few years, the key lies in opening up to all directions. After all, we cannot attach importance to opening up border areas only, and ignore countries in Southeast Asia and Latin America. Therefore, the central authorities [words indistinct] proposed this year that we open up border areas on the one hand, and open up to Southeast Asia and Latin America in an all-round way on the other.

[Yang] Governor Shao, what is your view about correctly handling the relations among reform, development, and stability?

[Shao] I believe the handling of relations among the three is not only to address problems in the past, more importantly it is to set a higher standard and demand social and economic development in the new situation. To properly handle the relations among reform, development, and stability, I believe we must face actual [words indistinct] and problems, think them over and reform them. There are indeed some problems among reform, development, and stability that have plagued us for a long time. The key to solving these problems lies in developing the tertiary industry step by step. For example, Heilongjiang Province has reaped bumper harvests in agriculture for several years in a row, and attained expected results every year. It should have [words indistinct]. On the contrary, however, peasants' incomes did not increase rapidly and Heilongjiang's revenue is getting worse. This means there is no healthy cycle among production, development, and stability. This problem has something to do with properly handling the relations among the above three things. Therefore, the proposal of correctly handling the relations among reform, development, and stability has [addressed the actual problem]. Why are the relations among the three not handled properly sometimes? The crux of the matter lies in the criteria for work, and whether reform and development can be assessed by the three criteria as proposed by Comrade Xiaoping? As far as reform is concerned, we cannot reform for the sake of reform and oversee the [overall interests] for the partial needs. Therefore, I think the key to properly handling the relations among reform, development, and stability lies in tackling the actual problems and adopting a definite criterion.

### Provincial Party Chief Discusses Shanxi's Development

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[By reporter Chi Maohua (3069 5399 5363)]

[Text] Beijing, 16 Mar (XINHUA)—Shanxi is rich, as it supplies four fifths of the coal under unified state distribution in China.

Shanxi is also poor, as its Luliangshan region is one of China's 18 major poor regions. Among the province's 118 counties, cities, and districts, 14 are national-class and 36 are provincial-class poor counties. This is a harsh reality that Shanxi must face during the course of development.

Hu Fuguo, secretary of the Shanxi Provincial CPC Committee and NPC deputy, discussed the topic and talked a great deal about new options for future development.

Hu Fuguo said: We have made proper readjustments of the province's development strategy. It can be summed up into eight words, "coal excavation, electricity generation, road construction, water diversion."

Hu Fuguo said: Shanxi is a major energy source province. Our strategy for developing the energy industry is to enter the market, reduce bottleneck restrictions, engage in a fairly large-scale operation, make rational exploitation, do intensive processing, and advance toward the world market. In accordance with this strategy, Shanxi basically accelerated its construction of energy and chemical industry bases last year.

On the strategy of emphasizing both coal and electric power, Hu Fuguo said: Shanxi will take advantage of its coal to develop the electric power industry. With the State Planning Commission's approval, we recently started the construction of Yangchuan No. 2 Power Plant and the Liulin Power Plant, bringing the total capacity of power generating projects under construction in Shanxi up to 3.6 million kw. At the same time, the Yangcheng Power Plant will be built with imported technology and equipment and with funds from outside the province. During the first stage of its construction, generators with a total of 2.1 million kw capacity will be installed. The preparatory work for its construction is being stepped up. After completion, it will supply electric power exclusively to Jiangsu Province. Feasibility reports on building power plants in Hequ, Wangqu, and Hejin have been prepared. Shanxi's thermoelectric power generating capacity will double by the end of the century.

Hu Fuguo said: The construction of roads and water diversion projects is in full swing in the province. The Taiyuan-Yulin first-class highway has been completed and is open to traffic. The construction of two express highways and three second-class highways has started in an all-around way. By 1997, Shanxi's highways will be

able to transport annually more than 100 million tonnes of goods out of the province. The construction of the Wanjiashai project for drawing water from the Huanghe has started. After completion, the project will solve Shanxi's water shortage problem once for all. The Taiyuan airport and railroad are under renovation.

On the province's abundant coal resources, Hu Fuguo said: It will not do without excavating coal, but coal excavation alone cannot solve all our problems. The establishment of a socialist market economic structure has created a development opportunity for an energy-rich province like Shanxi. Complete decontrol of coal prices will help rationalize Shanxi's coal management system and create new opportunities for Shanxi's enterprises to accumulate capital funds and develop themselves. The establishment and development of the production-factor market will make it possible to market electricity as a commodity and will enable us to realize the strategy of emphasizing both coal and electric power industries. Shanxi's electric power development will enter a golden age. So long as we seize the development opportunity, new progress will be made in Shanxi's economic construction.

#### **Fujian Promotes Export-Oriented Economy**

OW1803123394 Beijing XINHUA Domestic Service in Chinese 0229 GMT 17 Mar 94

[By reporters Pu Liye (5543 4539 2814) and Wu Yilong (1566 1150 7893)]

[Text] Beijing, 17 Mar (XINHUA)—Jia Qinglin, secretary of the Fujian provincial party committee and governor who is attending the ongoing Second Session of the Eighth National People's Congress here, said: As a result of China's opening up wider to the outside world, Fujian has formed an export-oriented economy.

As one of China's pioneer provinces that began implementing the opening-up policy, Fujian currently has special economic zones, economic and technological development zones, coastal open cities, coastal economic open areas, Taiwan investment zones, free trade zones, new and high-technology industrial development zones, national tourist resorts, and scores of minidevelopment zones that have been totally funded and operated by foreign investors. Fujian topped China's provinces in their levels of opening up, in providing various types of services, and in involving provisions of various policies. As of the end of 1993, Fujian has approved nearly 13,000 foreign-funded enterprises. Foreign businessmen have actually supplied more than \$5.98 billion of funds for investment projects, and the number of the three types of partially or wholly foreign-owned enterprises that have begun operations and production totaled more than 5,700.

Jia Qinglin said: Fujian's 1993 gross domestic product [GDP] increased 25.4 percent over that of 1992, thereby quadrupling the 1980 GDP seven years ahead of schedule. Meanwhile, Fujian has improved its industrial

structure; production and sales have grown simultaneously; and efficiency has risen remarkably. Fujian's 1993 financial revenues were more than 10 billion yuan for the first time, up 48 percent over that of 1992. Further progress in its export-oriented economic sector was a major factor favorably enhancing Fujian's economic development: Fujian's total 1993 export value was \$5.7 billion, or 53 percent of its GDP. Foreign investors have actually supplied more than \$3 billion of funds, and their investments on fixed assets amounted to 43.8 percent of Fujian's total investments on fixed assets. The output value of the three types of partially or wholly foreign-owned enterprises that have begun operations amounted to 24 percent of Fujian's total industrial output value. More than 50 percent of the output value newly created in 1993 has been propelled by the export-oriented economic sector.

The export-oriented economic sector has undoubtedly played a crucial role in facilitating Fujian's economic development. Since the beginning of 1994, the export-oriented economic sector has been developing favorably, even though China began to implement new measures including new tax systems and a dual-track system on foreign exchange rates [hui lu bing gui 0565 3764 1629 6510]. During January and February 1994, the three types of partially or wholly foreign-owned enterprises that have newly contracted to supply \$1.33 billion of foreign funds have actually supplied \$380 million, up 11.2 percent and 49.5 percent respectively over that of the same period in 1993. Fujian's total export value was \$840 million, increasing 44.1 percent over that of the same period in 1993. In 1994, Fujian plans to reach \$7 billion in export value and to use \$3.5 billion of foreign funds; both figures are considerably higher than that of 1993.

#### **Market Economy 'Indispensable of Macro-Economic Control'**

OW1803143494 Beijing XINHUA in English 1349 GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—The building of a socialist market economy is indispensable of macro-economic control and necessary measures to the effect does not mean following the old road of planning economy.

This has turned out to be consensus reached by the deputies to the ongoing session of the Eighth National People's Congress (NPC).

Necessary macro-control measures reflect the actual needs of the current Chinese economy with initial features of the market economy, some deputies held. Under such circumstances, it is impossible to bring the economy completely onto the track of the market economy at one stroke on the basis of decades-long practice of the planning economy.

To some extent, market economy is in essence an economy under a developed legal system and characterized of fair competition, no matter in a socialist or a capitalist country, said Tao Dayong, a noted economist from the Beijing delegation. Therefore, the development of a socialist market economy without strengthening macro-economic control will give rise to economic disorder.

Wu Shuqing, president of Beijing University and also a renowned political economist, said China started its modernization drive from a comparatively backward economic base. If China develops its economy by relying on the economic evolution out of its course, the market economy process will be longer and harder and the economy will be in no way competitive in the world.

Facing the imminent task of curbing inflation and the disorderly capital investment, forceful macro-control measures, including some administrative means, will be entirely necessary and proper, some deputies said. In this aspect, the central bank should effectively control money supply and stabilize money value.

The deputies voiced unanimous support to the various reform measures with regard to strengthening macro-control including the introduction of the tax-revenue sharing system, which they said is one of the most important elements in the whole macro-control system. However, the system should proceed steadily as it might exert more financial pressure on enterprises, those in coastal areas in particular, deputies from the coastal areas said.

To effect a less uneven economic development between the east and west parts of the country, appropriate macro-control measures will help bring about a comparatively balanced economic development towards common prosperity, a provincial governor from north-west China has said.

While agreeing the macro-control measures will be of benefit to the national economy as a whole in long-term prospective, some of the measures will possibly cause temporary financial problem in the immediate future, deputies from the underdeveloped regions said.

For example, more investment will flow to coastal areas once commercial banks to be established start operation because the investment returns there is much better than in the west parts of the country. As a remedy, some deputies from the west suggested that preferential monetary policies be introduced and that development banks with more competitive rates and exclusively for western parts of the country be established.

#### Li Peng's Note-Taking Habit Noted

OW1803141294 Beijing XINHUA in English 1253  
GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—Chinese Premier Li Peng is always seen carrying a small notebook during

the ongoing session of the National People's Congress (NPC) whenever he attends group discussions by NPC deputies.

He took notes while listening to opinions and suggestions voiced by deputies about his report on government work.

During the past eight days, the premier has attended discussions by seven deputy delegations.

According to one of his aides, 18 pages of the premier's notebook have so far been filled, with the opinions and suggestions of 34 deputies.

Said the premier: "The National People's Congress provides a good opportunity for government officials to learn about popular concerns."

During the same period, Vice-Premiers Zhu Rongji, Zou Jiahua, Qian Qichen and Li Lanqing, and other members of the cabinet also joined deputies in their discussions and listened to their opinions.

On many occasions, the premier made a point of inviting deputies from grassroots units to speak up, and those invited did not refrain from speaking their mind.

Li jot down the main points of whatever they said, be they criticisms or suggestions.

The premier said: "Some problems raised by the deputies cannot be solved immediately, but their opinions are good for revising the government work report and reducing errors in our work."

No matter how busy he is during the day, the premier always sorts out his notes at night, the aide said.

As early as when he worked in the former Ministry of Water Conservancy and Power Industry, Li Peng had the habit of taking notes, according to those familiar with the premier.

Since he took office as premier, Li Peng has always carried a notebook wherever he goes, even on his visits to foreign countries. Besides the notebook, the premier has an electronic calculator with him, which he uses to check figures and amounts for "quantitative analyses."

#### NPC, CPPCC Sessions Discuss Anticorruption

OW1803134894 Beijing XINHUA in English  
1258 GMT 18 Mar 94

[Text] Beijing, March 18 (XINHUA)—China must continue to resolutely wage an anti-corruption campaign, this is a consensus reached by deputies attending the National People's Congress (NPC) now in session and members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

They agreed that initial successes have been achieved in the anti-corruption campaign throughout the country.



However, eradication of corruption remains an arduous task for a long time to come because corruption has infiltrated into almost all aspects of social life.

Gu Jinchu, secretary of the Liaoning provincial party committee, said that the anti-corruption campaign is crucial for China's economic growth and long-term stability.

"Therefore, we must do everything within our power to make the campaign a success," he said during a group discussion.

Both NPC deputies and CPPCC National Committee members emphasized the importance of viewing the anti-corruption campaign from the height of correctly handling relations between reform, development and stability.

Feng Tiyan, a CPPCC National Committee member and vice-minister of supervision, said that some officials abuse their power for personal gains through loopholes in legal, supervisory and managerial systems.

He called these officials "borers of reforms and opening up," noting that they must be punished according to law.

With regard to anti-corruption measures to be taken in the future, the deputies and members called for efforts to perfect China's legal system and establish an effective supervisory and restraint system.

Gu Jinchu made a three-point proposal in that regard:

- It is necessary to clearly define the duties and functions of CPC committees and governments at all levels and establish a supervisory system;
- It is imperative to establish and perfect an open and standardized system regarding the use and management of personnel, public money and materials, and subject administrative power holders to supervision by the people; and
- It is necessary to institute a system under which leading officials will declare their incomes.

Han Peixin, chairman of the Standing Committee of the Jiangsu Provincial People's Congress, said that many corruptive phenomena have resulted from disciplinary problems in the style of work of officials.

For this reason, it does not suffice to crack down on corrupt officials only in the economic area, he noted.

The eradication of corruption requires the solution of deep-rooted problems in political life, with the key lying in perfecting the personnel system, he added.

Li Jinpei, a Standing Committee member of the CPPCC National Committee, proposed promoting the anti-corruption campaign by tightening legal restraints, improving supervisory measures, increasing civil servants' salary and stepping up ideological education.

## **NPC To Rename Environmental Protection Committee**

*OW1903041894 Beijing XINHUA in English  
0324 GMT 19 Mar 94*

[Text] Beijing, March 19 (XINHUA)—The Environmental Protection Committee of the National People's Congress (NPC), China's parliament, will be renamed the Environmental and Resources Protection Committee of the NPC.

The Third Meeting of the Presidium of the Second Session of the Eighth NPC today adopted a bill on changing the name of the committee submitted by the NPC Environmental Protection Committee, and a draft decision on the bill submitted by the secretariat of the session.

Both the bill and the draft decision will be submitted to NPC delegations for deliberation.

In the bill, the environmental protection committee said that, since its establishment, many government departments and people have regarded it as being engaged primarily in environmental protection, thus paying little attention to the committee's work aimed at protecting natural resources.

The bill says China now faces serious problems in terms of natural resources, including shortages of water resources, insufficient farmland resources, vegetation damage, soil erosion, desertification and a decrease in the number of wildlife.

The bill describes the damage and waste of resources as a major factor causing environmental pollution.

That is why it is necessary to combine legislation and supervision in the field of resources protection with those in the field of pollution control to make sure that the Environmental Protection Committee will be able to better perform its duties and functions, the bill says.

## **Opening Up Moving Toward 'Higher Level'**

*OW1803134794 Beijing XINHUA in English  
1259 GMT 18 Mar 94*

[Text] Beijing, March 18 (XINHUA)—The Chinese who even did not know what joint ventures were 15 years ago are now exploring various ways to absorb foreign investment.

They are now experimenting with establishing foreign-funded shareholding companies, using the BOT (build-operate-transfer) mode in infrastructure projects and establishing foreign-funded trust and investment and foreign investment companies.

China has so far approved establishment of 170,000 foreign-funded enterprises, of which about half have gone into operation, and used 60 billion U.S. dollars in foreign investment.

Now the Chinese have begun to think deeply over how to use foreign investment more efficiently and push ahead the opening up program to a higher level while opening wider.

This new tendency can find expression in discussions among deputies to the National People's Congress (NPC) on the government work report at the current NPC session.

China began to open to the outside world in the late 1970s and since then five special economic zones have been established in Shenzhen, Zhuhai, Shantou and Xiamen cities and Hainan Province.

Shenzhen Mayor Li Youwei and Xiamen Mayor Hong Yongshi maintained that under the new situation, special economic zones should pay due attention to readjusting the foreign investment structure and develop new and high-tech industries.

In the future, while continuing serving as showcases for absorbing foreign investment, technology and management expertise, special economic zones should fully play an exemplary role to other areas in establishing a socialist market economy, boosting economic growth by relying on science and technology and exercising economic management according to law, Hong Yongshi said.

As a step to open wider to the outside world, China successively opened 14 coastal cities, cities along the Chang Jiang River and borders and inland provincial capital cities, and Pudong New Development Area in Shanghai.

Since then an all-round opening up pattern has taken shape in China.

Under such a situation, opening wider not only means opening more fields for foreign investment and opening domestic markets, but also means priority of preferences will be shifted to industries instead of to certain regions.

NPC deputies from economically under-developed central and western areas made a strong call for opening their areas wider to the outside world, saying this is a major measure to narrow, step by step, the gap between economically developed eastern areas and western areas.

Wang Youjie, secretary of Luohe city party committee in Henan Province, called for pushing ahead with opening in various fields in central and western areas, while deputies from Inner Mongolia Autonomous Region and Shaanxi Province suggested such areas attract foreign investment to develop agricultural and animal husbandry, communications and energy and exploit their abundant resources.

What the deputies suggested coincides with policies the Chinese Government is preparing to institute. These policies are explained by Chinese Premier Li Peng and State Planning Commission Minister Chen Jinhua in their reports to the current NPC session.

Another Chinese senior leader further explained that to encourage central and western areas to use foreign investment and encourage flow of foreign investment into infrastructure and basic industries are the "same thing in essence."

During a group discussion with NPC deputies from Gansu Province, Hu Jintao, member of the Political Bureau Standing Committee of the Chinese Communist Party Central Committee, emphasized the significance of opening to the development of central and western areas, saying that opening wide can promote development.

State-owned large and medium-sized enterprises afflicted with difficulties have been a difficult problem for the Chinese for years. Jin Zhezhu, vice-governor of Jilin Province, an old industrial base, and an NPC deputy, pointed out that to actively use foreign investment for technical renovation for enterprises is an important approach to raise efficiency of state-owned enterprises.

To make sure that the opening program moves towards a higher level, many deputies said, efforts should be made to perfect relevant laws and regulations and more attention be paid to assimilation of imported advanced foreign technology while improving investment environment.

Chen Bingzhen, professor of Qinghua University, maintained that in importing foreign technology, the old practice of importing by different channels, redundant, blind and disorderly import of overseas technology and equipment and import of isolated parts should be abandoned.

Deputies expressed their belief that along with the opening moving towards a higher level, China will expand its scale of using foreign investment, technology and advanced management expertise, and will be more mature and efficient in this regard. China's economy will converge with the world economy in a faster pace.

#### **Agriculture Ministry News Conference**

*OW1803121494 Beijing Central Television Program  
One Network in Mandarin 1430 GMT 12 Mar 94*

[Recorded video report on the 12 March news conference of the Ministry of Agriculture sponsored by the press center for the Second Sessions of the Eighth National People's Congress (NPC) and Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC); from the program: "Special News From the Second Session of the Eighth NPC"]

[Text] [Unidentified moderator] The press center for the NPC and CPPCC National Committee sessions holds its second news conference here today. We are glad to invite several responsible persons of the Ministry of Agriculture to answer your questions on China's agriculture, as well as rural economic reform and development.

Attending today's news conference are Minister Liu Jiang as well as Zhang Yanxi and Wan Baorui, vice ministers of the Ministry of Agriculture. You are now welcome to raise questions.

[NONGMIN RIBAO correspondent] I am a correspondent from NONGMIN RIBAO [PEASANTS' DAILY]. I would like to ask Minister Liu Jiang these questions: How do you view the current situation in agriculture? What kind of new work plans does the Ministry of Agriculture have? Thank you.

[Liu] China's agricultural and rural situations were good last year, as demonstrated by the series of figures in Premier Li Peng's Government Work Report. Last year our grain output posted a record high, exceeding the previous feat and effecting an overall balance in supply and demand. Output increased across the board for products included in the "vegetable basket" project, as we term it, such as meat, poultry, eggs, milk, fish, vegetables, and fruit. The development of high-yield, high-quality, and high-efficiency agriculture accelerated further. Village and town enterprises enjoyed synchronized development in their growth rates and economic returns. Peasants saw continued growth in their incomes, a lessening of their burdens, and bigger steps being taken in reforming the system of grain procurement and marketing. The cooperative share-holding system and the integrated management of trade, industry, and agriculture were developing in the right direction. There remained some agricultural problems in spite of a relatively good situation in agriculture and rural economic development. The major ones were the relatively slow growth in peasants' income; the declining relative efficiency of agricultural production, particularly grain production; inadequacies in measures to support, protect, guide, as well as regulate and control agriculture; and a somewhat unstable grass-roots system and contingent of personnel for popularizing agricultural techniques. Turning to our work plans for 1994, we intend to center our work on rural reform and development. The focus of our work can be summarized into paying attention to these three areas: 1. Developing the rural economy; 2. Reforming the rural economic structure; 3. Increasing peasants' income. In paying attention to developing the rural economy, we will focus on the production of grain, cotton, and oil-bearing crops; the production of products included in the "vegetable basket" project; and the development of village and town enterprises. In paying attention to reforming the [rural] economic structure, we will mainly lay stress on improving the system of overall regulation and control of agriculture, maintaining the basic stability of the farm produce market and prices, pushing on with the building of a market system centered on the wholesale markets for agricultural and sideline products, and further advancing the development of the rural cooperative share-holding system, and the integrated management of trade, industry, and agriculture. In paying attention to increasing peasants' income, we will, after stabilizing and increasing grain and cotton production, mainly continue to safely readjust the setup

of production; develop high-yield, high-quality, and high-efficiency agriculture; lessen the burden on peasants; and do a good work in aiding the poor through developing production.

[REUTERS correspondent] Some southern provinces saw a drop in grain output last year. I would like to know how many provinces in China are now suffering from a shortfall in grain production and are relying on supply from other provinces.

[Liu] At a recent national work conference on aiding the poor, General Secretary Jiang Zemin talked about the issue of rice shortages in the south. He addressed the need to maintain an overall and regional balance in supply and demand. As we have reaped bumper grain harvests over the past few years, we began to readjust the agricultural structure last year, or rather the year before. As part of this campaign of readjusting the agricultural structure, the grain mix has been readjusted under the precondition of maintaining the aggregate supply. We were, therefore, still able to turn out a record grain output in 1993 while readjusting the structure of production. Last year's grain production was marked by growth in the north which included substantial increases in wheat, corn, and soybean production; and an output drop in the south. The southern region suffered from a paddy shortage, as it had carried out readjustment mainly in (early rice) plantation. As asked by the REUTERS reporter just now: what are the actual numbers of provinces needing grain supply from other provinces and of supplying provinces? In general, about 10 provinces and municipalities are receiving grain, 10 provinces and municipalities are supplying grain, and another 10 provinces and municipalities are basically maintaining a balance.

[Central Television correspondent] I am a correspondent from Central Television. Minister Liu, as you mentioned in your statement just now, peasants' incomes grew at a relatively low rate over the past few years. Can you explain the reasons? What measures do you intend to take to continually increase peasants' incomes in the future? Thank you.

[Wan Baorui] There are three main reasons behind the slow growth. The farming efficiency of peasants, particularly those planting mainly grain, is relatively low, thus affecting their income. This is one reason. The second reason is the lack of career choices for peasants. Peasants in most rural areas, except those along the coast, concentrate on the sole business of planting, which cannot provide enough jobs for the entire work force. The third problem is the present rise in the cost of the means of production which eats into peasants' income. These three reasons all contribute to the relatively slow growth of peasants' incomes. At present, we are taking six main measures to increase peasants' incomes: 1. To appropriately raise the prices of farm produce; 2. The state, [words indistinct], and individual localities must all increase investment in agriculture; 3. To readjust the setup of production to develop high-yield, high-quality,



and high-efficiency agriculture; 4. To integrate production, supply, and marketing of crop-farming, animal husbandry, and processing of farm produce; 5. To emphatically develop secondary and tertiary industries, and in particular village and town enterprises; 6. To carry out the plan for extricating 800 counties from poverty within seven years [ba qi gui hua]. Peasants' income will be increased mainly through these six measures.

[Unidentified correspondent] I am a correspondent from Hong Kong. I would like to ask Minister Liu about the state plan to set up an agricultural development bank this year. What impact will this policy bank have on national agricultural development?

[Liu] The State Council recently decided to form the Agricultural Development Bank of China, which will serve as a policy bank. The existing Agricultural Bank of China will become a commercial bank. The policy bank will play a positive role in increasing the injection of agricultural credit funds, guaranteeing the prompt extension and effective use of policy-related loans, and strengthening the state's overall regulation and control of agricultural production and circulation of farm produce.

[Unidentified correspondent] What measures will the Ministry of Agriculture take this year to guarantee a steady and sustained growth of the so-called vegetable basket?

[Zhang Yanxi] For the period ahead, the Ministry of Agriculture will attach even greater importance to work related to the vegetable basket. We intend to continue paying attention to this matter from three aspects. First, we will continue taking good charge of production development. Second, we will, in coordination with commerce departments, take good charge of the establishment of a market system centered on wholesale markets. Third, we will help peasants and agricultural production units develop the integrated management of production, supply, and marketing, so as to forge even closer relations between production and management.

[Unidentified correspondent] I am a correspondent from France. Mr. Minister, you said you had made various efforts in agriculture, but last year many peasants continued to leave the countryside for urban areas. Do you have specific figures on the flow of peasants or any plans to take whatever measures to deal with this issue?

[Liu] This problem is known in China as tides of laborers from rural areas. This problem is caused by two basic factors in the country—the large population and limited land resources in rural areas, and the differences between urban and rural areas. According to incomplete statistics, in 1993 about 50 million people left their homes to work, including 20 million who left their homes to work in provinces and regions other than their own. There are about 430 million rural laborers in China today. Owing to the fast development of village and town enterprises, 112 million former rural laborers are now employed in

these enterprises. In recent years, the number of rural laborers these enterprises employed was increasing by about six million annually.

Nevertheless, the rural areas still have some surplus laborers. Because of the development zones and the many processing industries established along coastal areas in southeast China, many farmers in central and western China are moving to coastal areas and cities, causing the annual outflow of 50 million people, including the 20 million who leave their own provinces and regions, each year. For this outflowing population, we follow the principle of guiding, enlightening [su dao], and serving them. We have also taken some measures to make the flow more rational. Moreover, we plan to set up a consolidated, nationwide labor market to regulate the supply and demand of laborers between cities and rural areas.

[Unidentified correspondent] I am a reporter from the U.S. WALL STREET JOURNAL. You just mentioned that you have taken some measures for increasing the purchase of grain and cotton. It is likely that the purchase of these products will decline this year? To what extent will it decline? Moreover, has last year's problem of IOU's been completely resolved? Have there been any other measures taken to prevent the recurrence of this problem? Thank you.

[Liu] Let me answer your last question first—the IOU problem. We have taken care of this problem which occurred in the agricultural sector in 1993. Now, no more IOU's have been given for agricultural purchases. Now for the question about purchasing quantities: we fulfilled the 1993 state plan for grain purchase but we did not fulfill the state plan for cotton purchase. This is primarily because the plan set for cotton production was not fulfilled as a result of natural disasters and smaller acreage for cotton last year. We only fulfilled 70 percent of the cotton purchasing target. This lady [the WALL STREET JOURNAL reporter] and many other reporters have asked the question about the balance of total grain supply and demand. Let me answer your question with some figures. Last year when I attended a conference of the FAO [UN Food and Agriculture Organization], I gave a report on China's grain output in recent years. Comparison of the statistics released by the FAO and China shows that, on average, China produced 31 kg of every additional 100 kg of grain the world produced during the 12-year period from 1980 to 1992; and that China produced 40 kg of cotton, 34 kg of oil-bearing crops, 37 kg of aquatic products, and 54 kg of meat of every additional 100 kg of these goods the world produced during that 12-year period. That is to say, except for cotton, the production of which declined in China in 1993, the output of all other crops—cereal and oil bearing crops, aquatic products and meat—exceeded the average. The Chinese population now accounts for 22 percent of the world population. In other words, the output of the goods mentioned above was proportionally higher than 22 percent. This also shows that the Chinese

people's living standards are improving, and the quantities of agricultural and livestock products they consume far exceed the world average even though China's population is increasing by 15-16 million each year. At a time when the Chinese people are striving for better living conditions and a comparatively comfortable life, I think the vast number of hard-working Chinese farmers as well as intelligent and capable scientists and technicians can, under the leadership of the CPC Central Committee headed by Jiang Zemin, accomplish the historical mission of improving their livelihood and becoming comparatively well off.

### **NPC Deputies Discuss Role of Legislatures**

*OW1803120194 Beijing XINHUA in English*  
*1131 GMT 18 Mar 94*

[Text] Beijing, March 18 (XINHUA)—Local legislatures will expand their role as a watchdog of the people while stepping up their law-making work in the process of building a socialist market economy, leaders of two provincial people's congresses (PPC), or legislatures, said here today.

Sun Weiben, chairman of the Heilongjiang PPC, said at a press conference that local legislatures have the right to supervise local governments, courts and procuratorates according to a 1993 amendment to China's Constitution.

The Heilongjiang PPC, he said, assesses the performance of the provincial government by listening to its work reports and examining its enforcement of laws and regulations.

While legislatures' supervision has been carried out smoothly at all levels of governments, courts and procuratorates, he said, government institutions have yet to take greater initiative to accept supervision by local people's congresses.

"A major obstacle comes from people's understanding of the role of people's congresses. On the one hand, people's congresses have to be more mature in exercising their supervisory power; on the other hand, local governments, courts and procuratorates need time to become accustomed to such supervision," he said.

Lu Chuanzan, chairman of the Hebei PPC, said that local people's congresses play their role in four fields: lawmaking, supervision over the work of local governments, decision-making for local major issues, and election of officials and personnel appointment.

"The provincial people's congress has the power to appoint, elect and dismiss government officials, including the governor, and the province's top judge and procurator," he said.

### **Public Security Official Promises Crackdown on Crime**

*OW2103054694 Beijing XINHUA Domestic Service in Chinese 1333 GMT 20 Mar 94*

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 20 Mar (XINHUA)—When interviewed by this reporter at the Second Session of the Eighth National People's Congress, Tian Qiyu, vice minister of public security and an NPC deputy, said that public security organs will work hard to create a social environment favorable for reform, opening up, and economic construction.

Tian Qiyu said: The situation of China's public security can be summed up in three sentences: 1) Society is generally safe for reform, opening up, and economic construction; 2) the number of criminal offenses, especially major, heinous crimes, is increasing; and 3) in certain areas, the public security is poor, crimes are rampant, and people feel unsafe—just as Premier Li Peng noted in his government work report.

Tian Qiyu said: The major reform measures the state will carry out in the financial, taxation, banking, and investment sectors this year certainly will bring about all-around social progress. But we must also realize that, compared with those introduced in the last decade or so, the reform measures to be introduced this year are both the largest in number and the most difficult to carry out, and society certainly will feel some pains because of their introduction. We must have sufficient understanding of this problem.

Tian Qiyu said: Public security organs' main mission is to make all-out efforts to maintain political and social stability. Public security organs will continue to come down hard on criminal offenses; give priority to "cracking major cases, striking criminal gangs, and pursuing fugitives;" and carry out special, priority crackdown projects in a way appropriate to the local situations. In areas where problems of public security are conspicuous, collective county, city, or even more widespread campaigns will be organized to crack down on crimes. Priority will be given to cracking down on murder, robbery, theft, and organized crimes. In rural areas, hooliganism jeopardizing local safety will be harshly punished according to law. A fight against guns, narcotics, smuggling, and illegal emigration will be launched in some provinces and municipalities.

Tian Qiyu said: This year we also underscore the need of setting higher goals for cracking cases. We will crack more major cases, step up prosecution of cases that have been cracked, act more efficiently in handling cases, enforce the law strictly, and firmly correct the problem of reducing penalties, such as accepting fines in lieu of imprisonment.

On controlling public offenses, Tian Qiyu said: Public security organs will give priority to controlling guns and

explosives, and to controlling the floating population and crime-prone places. We will collectively put in order problem-ridden stations, ferry piers, trains, and recreational districts; increase the intensity of wiping out social viles; and continue to promote and improve the system of assigning policemen to patrol duty.

### **Democratic Parties Hold Meetings for NPC, CPPCC Session**

OW2003145094 Beijing XINHUA in English  
1427 GMT 20 Mar 94

[Text] Beijing, March 20 (XINHUA)—China's democratic parties and All-China Federation of Industry and Commerce recently held high-level meetings for the implementation of the Second Session of the Eighth National People's Congress (NPC) and the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

At the meetings of the Standing Committee of the Central Committee or enlarged meetings of chairman and vice chairmen of the democratic parties, China's democratic leaders discussed Premier Li Peng's "Work Report of the Chinese Government" at the current NPC session and vice chairman of the CPPCC National Committee Ye Xuanping's report at the Second Session of the Eighth National Committee of the CPPCC.

The high-level meetings of the democratic parties also published resolutions which affirmed China's achievements in economic growth, political stability, unity of nationalities, social progress, reforms and opening to the outside world in 1993.

The resolutions noted that the year of 1994 is an important year for China to establish the market economic structure, maintaining continuous, rapid and healthy development of the national economy.

The democratic parties said that they will enhance their role of participating in government and democratic supervision.

The democratic parties and organizations which held high-level meetings include the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers Democratic Party, the China Zhi Gong Party (Public Interest Party), Jiu San (September 3) Society, the Taiwan Democratic Self-Government League, and the All-China Federation of Industry and Commerce.

### **Commentary Urges Change in Government Functions**

OW2103072594 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 20 Mar 94

[Commentary from station correspondent (Cui Tong): "Greater Efforts Should Be Made To Change Government Functions"; from the "News and Press Review" program]

[Text] We have talked about changing government functions for several years. The conferees of the Second Session of the Eighth National People's Congress [NPC] and the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] believe today it is more imperative for the government to change its functions during the accelerated shift from the old to the new economic structure. Government departments at all levels should do a good job in making the change with a greater sense of urgency.

In fact, changing the government functions means readjusting the government's functional powers so the administrative authority plays a more effective role. Presently some localities are not putting their efforts on changing government functions. Instead, they are making superficial organizational changes. An NPC deputy from Hebei said: Over the last two years, some county-level organizations have become even more over-staffed after so-called streamlining. Instead of reducing the number of departments, they have set up additional ones, which means an increase of personnel. So all the additional financial burdens created by the additional departments are put on the shoulder of the people.

Some deputies cited the procedures for examining and approving new projects submitted by enterprises as an example. It is a matter of course that an enterprise should assume full responsibility for its own projects, respective of whether they are feasible or profitable. However, our government departments are minding the business of enterprises, holding many meetings, and affixing many seals. Hainan deputy Ruan Chongwu likened the examining and approving procedures to theater entrance and ticket collectors. He said: Enterprises do not need to go repeatedly through many theater doors and one ticket collector after another. What they actually need is a better environment. The government's business is to improve its social management function and investment environment. Last year Hainan began the system of enterprise registration which has greatly simplified the formalities for establishing a new enterprise.

Similar reforms have been successfully carried out in Liaoning's Anshan and Fujian's Shishi. In the words of deputy Zeng Haorong, a common characteristic of these reforms is that the government has become very small and no longer minds other people's business, while the non-governmental sector has become very large and whatever problem should be solved by the market is



being solved by the market. Premier Li Peng has explained very clearly in his government work report: The government's main function is to do a good job in macroeconomic regulation and control, overall coordination, and social management. For instance, planning and industrial policies which embody the macroeconomic regulation and control function must be formulated by the government. The government's responsibilities also include key construction projects which have a bearing on the national economy and the people's livelihood; protection and exploitation of natural resources; cultivation of the market system; maintenance of market order; improvement of social security; development of education, national defense, and public security; and combating corruption and promoting ethical integrity.

Deputy Huang Baozhang has worked in the Planning Department for many years. When asked whether he felt he had lost something after the change of government functions, he replied: I feel my job has become even more substantial because the Planning Department is taking on an even more important task—macroeconomic regulation and control. Now I can put more efforts on using industrial policies to readjust the economic structure and plan key construction projects; in the past, my job included examination and approval of trivial matters, such as the construction of a toilet.

Deputy Chen Shiwei said: In exercising macroeconomic regulation and control, the government must follow the law of the market economy; it must not interfere with economic development according to its subjective wish as it did in the past under the system of a planned economy.

Many NPC deputies and CPPCC members suggested the government should ensure social stability and development by means of administrative regulations, policies, planning, coordination, balancing, and sanctions. At the same time, the government's powers should be standardized. They earnestly hope government departments at all levels will make greater efforts to change their functions and improve their work efficiency, and will achieve greater success in this regard this year.

### **Commentary Calls for New Ideas in Development**

*OW1803130194 Beijing XINHUA Domestic Service in Chinese 1153 GMT 17 Mar 94*

["Commentary on NPC and CPPCC Sessions" by XINHUA reporters Zhang Jinsheng (1728 6930 0524), Ding Jianming (0002 1017 6900), and Wang Haizheng (3769 3189 1767)]

[Text] Beijing, 17 Mar (XINHUA)—In discussing issues related to Chinese economic development, deputies and members attending the Second Sessions of the Eighth National People's Congress [NPC] and the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee held that while the country scored tremendous successes in economic development last year, some conspicuous contradictions and

problems have cropped up. Hence, they proposed that in continuing to develop the economy, it is necessary to search for new ideas instead of following the trodden path of emphasizing speed alone.

In searching for new ideas for development, it is necessary, first of all, to proceed from the national strength and conditions in deciding a scientific rate of economic growth. Deputies and members said: Despite a marked increase in our overall national strength in recent years, the country's financial and material capabilities remain rather limited because of its low starting point. Therefore, we must decide on a growth rate and construction scale that are within our capabilities. Citing an example, deputies recalled the housing and real estate boom last year that led to a rush in the construction of luxurious apartments, tourist resorts, and modern recreational facilities in disregard of actual benefits, demands, and capabilities. On the surface, such a construction boom could accelerate the pace of development and improve the economy; but in actuality, it caused a series of problems, such as capital shortages, price increases, and strains on "bottleneck" industries.

Second, it is necessary to strive to develop the national economy with high efficiency and quality. Describing low efficiency and high growth rate as the most salient characteristics of a "bubble economy," deputies said: Local governments and enterprises should guard against one-sided emphasis of high output value and speed; and should concentrate efforts on upgrading technology, improving management and operation, developing new products, conserving energy to lower consumption, and tapping potential. To this end, they should adopt effective measures to raise major indices reflecting economic efficiency, such as the sales rate of manufactured goods, profit and tax payment rates of industrial capital, profit rates of costs and expenses, turnover rates of working funds, and all-personnel labor productivity.

Moreover, it is necessary to proceed from the realities of each locality, making the best possible use of favorable conditions and avoiding the unfavorable, and refraining from demanding a unified speed. Because of the vast differences in geographical locations and resources, economic development is extremely uneven throughout the country, with an enormous gap between the eastern and western regions. In developing the economy, localities should not pursue the same target and speed, but should proceed from local conditions in exploring the most effective way of developing local economy. For examples, Zhejiang should rely on Pudong's opening up and development in achieving new economic advances; Henan should transform itself from a major agricultural province with rich resources into a major industrial province as a motive force for scaling new heights in economic development; Sichuan should energetically develop transportation and communications as an important way to taking off from its southwestern region-oriented economy and converge its economy with the international market; and Gansu should expedite the development of village and town enterprises and help

poor mountainous areas cast off poverty and become well off as this is crucial to narrowing the gap between the western and eastern regions. These measures for developing the economies, which correspond with the local realities, can avoid aimlessness, overcome one-sidedness, and allow each locality to develop on its own while ultimately contributing to an excellent situation characterized by a sustained, rapid, and healthy development of the national economy.

#### **Commentary Examines Six-Character Principle**

*OW2003182694 Beijing XINHUA Domestic Service in Chinese 0726 GMT 18 Mar 94*

[Commentary by XINHUA correspondents Min Fanlu (7036 0416 6424) and Li Anding (2621 1344 1353): "Stress Efficiency in Promoting 'Healthy' Development—Assessing the Relationship Between the Three Aspects of Sustained, Rapid, and Healthy Development From What Was Said at the 'Two Sessions'"]

[Text] Beijing, 18 Mar (XINHUA)—China's economy has grown 13 percent for two years in a row. This figure is particularly striking at a time when the world economy is in a recession. To maintain the strong momentum in our country's economic development, in his government work report Premier Li Peng underscored the six-character principle of "sustained, rapid, and healthy" development.

The principle was formulated after careful consideration of the actual state of our country's economic development. The characters denoting "healthy" were recently introduced into this six-character principle. It is the most discussed element among National People's Congress [NPC] deputies and members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], both during and after session. It is viewed as a sign of maturity in the guiding ideology for our country's economic construction.

The six characters constitute a dialectical unity and must be managed carefully. Seeking rapid development without regard to sustained and healthy growth will hamper much-sought-after progress, ultimately keeping us from proceeding rapidly. We should place greater emphasis on quality and efficiency than on quantity and growth rate. In the words of Tianjin deputy Gao Dezhan, we should actively create conditions and stress both quantitative and qualitative growth in economic development, placing greater emphasis on the latter, so as to truly shift toward the track of improving economic efficiency.

Healthy development and efficiency are interconnected. By taking "efficiency" as the central task, we can find a prescription for curing the on-again, off-again overheating in China's economy in recent years. The two characters denoting "healthy" are what people hope for and which serve as the prerequisite for sustained and rapid economic development.

What is meant by healthy development? This means adapting to market demands, stressing quality and efficiency, seeking realistic growth rates, and avoiding intermittent bouts of overheating and drastic fluctuations. CPPCC member Tian Yinong said in vividly descriptive terms: "Suppose the economy is a person with a fever. In the heat of an economic expansion, people would rush headlong into mass action, and this would result in an overextended investment scale. On the surface, the economy would seem to be developing rapidly and spectacularly, but once problems occurred, it would be subject to readjustment and would contract. This erratic pattern would cause tremendous losses, in effect slowing the economy."

Some aspects of our country's economy are clearly far from satisfactory, despite the rapid economic development of recent years. Hunan deputies Gao Jinping and Han Jian said: Some localities are now trying to find a solution through an expanded investment scale rather than through improved economic efficiency. Not to be outdone, various localities are vying with each other to start projects and seek fast growth rates. Shandong deputy Mu Chengze said: "Once in office, town and township cadres would take out loans, recklessly establish new organizations, start projects, and walk away before witnessing any results." These instances are not isolated cases. In the end, it is the state which suffers. This kind of development cannot be described as healthy.

According to information from the State Statistical Bureau, the total investment made in fixed assets in 1993 amounted to 1,182.9 billion yuan, an increase of 50.6 percent over 1992; the annual increase was the largest since the 1980's. The deputies believe excessive investment causes fund shortages as well as greater "bottlenecks" and inflation.

The NPC deputies and CPPCC members felt enlightened by re-studying a passage of Comrade Xiaoping's brilliant exposition on economic efficiency: "In our economic development, we should strive to raise it to new levels every few years. Of course we are not encouraging unrealistically high growth rates. We should work in a down-to-earth manner, stress efficiency, and achieve a steady and coordinated development." Comrade Jiang Zemin has recently pointed out: "We should have new ideas for our development, and should truly switch it onto the track of enhancing economic efficiency. We must not continue taking the road of blindly seeking high output value and growth rates, and expanding the scale of investments." Shandong deputy Guo Xinzhang had the following to say: Development includes increased quantity and improved quality. Over the last several years, the stress of our work has been placed on solving the problems of insufficient total supply and of meeting the people's basic needs in food and clothing. Now, some localities should shift the stress to improving economic and product quality. Economic quality includes economic structure, economic efficiency, and labor quality.



It is precisely out of a consideration of enhancing economic efficiency and stressing healthy development that the State Council has set the 1994 growth rate at 9 percent. During their discussion of the government work report, the NPC deputies approved of the rate. They believe we will certainly make remarkable achievements with sustained, rapid, and healthy development so long as we maintain a healthy and genuine 9 percent growth rate for a number of years in a row.

Stress on economic efficiency is not a new topic, but it is very difficult to ensure economic efficiency under the purely planned economic structure. Our national economy has already developed to a very large extent, and it cannot be further developed healthily with artificial arrangements. The 14th Party National Congress has made a policy decision on establishing a socialist market economic structure. In order to create the motive force for economic development, we must rely on market forces to distribute resources rationally, and we must stress economic efficiency.

While planning was law in the past, our production is now guided by the market demand. Such a change has made it possible for China to turn its "growth-rate-increase economy" into an "efficiency-improvement economy." During the change of operational mechanisms, many enterprises "turned to the market instead of the mayor" in order to solve their problems. NPC deputy and economist Li Boxi stated: Presently the economic efficiency of our investment is very low because investment ignores market demands. Many enterprises under construction are bound to be losers. When they are completed, there will be no market for their products, and a large quantity of their products will lie idle in warehouses. For this reason, we must reform the existing investment system and improve investment efficiency. The key to success in this regard is to change the government functions and allow enterprises to become the main investors.

How can we enhance economic efficiency and maintain healthy development? In pondering the question, many NPC deputies and CPPCC members tried to get an answer from structural readjustment and repeatedly emphasized optimization of the industrial structure. Deputy Ni Zhifu pointed out: China is a large country in which different regions have different economic foundations and natural resource conditions. Each region must consider its own reality and choose suitable main industries, as well as other related industries. At the same time, it is necessary to ensure the rational division of labor and cooperation among regions and avoid uniform industrial structures, so that all localities can give play to their strength and make effective and full use of their economic advantages and resources. Liaoning Governor and NPC Deputy Yue Qifeng discussed Liaoning's second economic progress. He said: In transforming an old industrial base, it is necessary to have new ideas and not to blindly follow other's practices. It is necessary to use high and new technology in developing a number of

new enterprises and transforming a number of old enterprises. It is necessary to close down a number of old enterprises which do not merit transformation. It is necessary to constantly optimize the product mix and develop a number of technology-intensive products which are high value-added, highly marketable, bring high economic returns, and which will help promote the province's economic development. Deputy Wang Guangying, who is of noble character and high position, suggested the use of foreign capital and technology in invigorating inefficient large and medium state-owned enterprises.

Economic efficiency is inseparable from product quality, marketability, and after-sale service. During the two sessions, Deputy Ma Yue, who is general manager of the Dongfeng Automobile Company in Hubei, visited the Beijing service center of Dongfeng automobiles and Fukang-brand sedans to seek users' comments on 15 March, which happened to be the "Consumer Rights Day." He said: In the past, enterprises were responsible for planning only. Now, they must be earnestly responsible to the users. If we do not enlarge the scale of production rapidly to lower costs and produce cars of a high level of technology, good quality, and reasonable prices to satisfy users, we will not be able to do anything but watch foreign companies seize all of China's automobile market.

Only healthy development is genuine development, and only effective development is genuinely healthy development. To put more effort into "healthiness" and efficiency is the common aspiration of the NPC deputies and CPPCC members attending the two sessions, as well as the common aspiration of the people across the country. If everyone in our country enhances his awareness of efficiency and tries in every possible way to raise economic efficiency, we will be able to promote the country's modernization in a sustained, rapid, and healthy way.

#### **Commentary Cites NPC Deputies on Economic Law Enforcement**

*OW1803114994 Beijing Central People's Radio Network in Mandarin 2230 GMT 17 Mar 94*

[Commentary by station reporter (Cai Xiaoling): "Let the Sprit of Law Enforcement Strike Root in Economic Life"; from the "News and Press Review" program]

[Text] Improvement of the legal system has been a focal topic at the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] sessions year after year. In his latest government work report, Premier Li Peng again emphasized the needs for a sound legal system to guarantee the establishment and perfection of a socialist market economic system; and the necessity of governments at all levels to learn to use legal means to govern economic and social life.



We may as well say that notable achievements have been made in improving the legal system, especially economic legislation, over the past more than a decade. However, we should also realize that law enforcement and awareness in the Chinese economic life leave much to be desired. Many NPC deputies and CPPCC members have deplored a pervasive weak sense of law enforcement and failure to observe laws, strictly enforce them, and punish lawbreakers in economic life. In reality, legislation is important, but law enforcement is even more important. Failure to enforce laws is tantamount to lawlessness. Only by paying equal attention to law enactment and enforcement can the legal system serve as a guarantee for economic development.

Deputies and members said: At present, a considerable number of officials, including those directly engaged in economic work, often interpret market economy simply as free economy. As a result, lawbreakers are not aware of their violation of the law and, when confronted by law enforcement personnel, defend their actions with perfect assurance. There were even such strange occurrences of law violators adamantly filing law suits against baffled law observers. Apparently much remains to be done to enable the people to reach a consensus of identifying market economy with the economy ruled by laws.

It is heartening that the Eighth NPC and its Standing Committee have, since their inauguration, given top priority to accelerating legislation, especially economic legislation. Of the laws currently in force, some 170 were promulgated between the PRC's founding and the end of 1992. However, during their tenure, the Eighth NPC and its Standing Committee have planned to enact 152 laws. So far, a number of important laws for developing the market economy, standardizing the norms for the market, keeping the market in order, and tightening macroeconomic regulation and control—such as the Company Law, the Law Against Unfair Competition, and the Law for Protecting Consumers' Rights and Interests—have been promulgated; and efforts are being stepped up to formulate the Securities Law. Last year is the year in which the largest number of laws and decisions on laws were examined and approved since the founding of the country. We are convinced that along with the continuous improvement of China's legislative work, the concept of law enforcement will surely strike a deeper root in the hearts of the people and their economic life, and that the goal of establishing a socialist market economy will certainly be smoothly realized with the guarantee of a sound legal system.

#### AFP Details Report on Protesters in Tiananmen Square

HK2103050494 Hong Kong AFP in English 0453 GMT 21 Mar 94

[Text] Beijing, March 21 (AFP)—At least two protestors Monday [21 March] scattered pamphlets in Tiananmen Square here as a group of delegates to China's parliament were passing, witnesses said. Police immediately

grabbed the camera of an Agence France-Presse photographer who had taken pictures of the protest and opened it to expose the film. A plainclothes policeman filmed the entire incident.

Witnesses said several hundred people were gathered behind security barriers on the eastern side of the square to watch the delegates leave the parliament building when, about 10:45 a.m. (0245 GMT), the pamphlets were scattered by at least two protestors stationed at different parts of the square. Uniformed and plainclothes police, who have been controlling access to the square since parliament opened its annual session March 10, quickly moved to disperse the crowd and seal off the area. The pamphlets were also hastily gathered up. It was not known if any arrests were made.

Tiananmen Square was the scene of massive pro-democracy protests which were crushed by the Army during the night of June 3-4, 1989. Since delegates from all over China arrived for the parliament session, dissidents and intellectuals have made several attempts to put across their pro-democracy and pro-human rights views. Three open letters have been sent to delegates, but Monday was the first time dissidents have openly defied the police.

Before the session began, police launched a massive campaign to intimidate opposition with the arrest of some 15 dissidents, forcing some of the better-known to stay away from the capital while parliament met.

In a separate development, a Chinese carrying a letter addressed to communist party and parliamentary leaders calling for democracy was arrested just after meeting journalists, several witnesses said.

Gao Hongming, a civil servant in his 40s, was detained by plainclothes police and pushed into a black car as he came out of the Jianguomenwai foreigners' compound on the east side of the capital in early afternoon. The letter, dated March 7, had already been sent to the party Central Committee and parliament, Gao said before his arrest.

#### Protestor Reportedly Arrested in Tiananmen Square

HK2103062994 Hong Kong RTHK Radio Four in English 0500 GMT 21 Mar 94

[From "News at One"]

[Text] Police in Beijing have arrested at least one person who tried to distribute leaflets in Tiananmen Square, and one news photographer had his film seized. Witnesses said that they saw leaflets being thrown into a crowd in the square, the site of the 1989 Beijing massacre. One incident occurred on the north side of the square and another took place at the Monument to the People's Heroes in the center of the square. There was no

indication what the leaflets said. One witness saw police throw a person into a car and drive off immediately after the incident.

### State Acts To Prevent Unauthorized Antismuggling Operations

HK1803143694 Beijing RENMIN RIBAO in Chinese  
16 Mar 94 p 4

[Dispatch: "The Ministry of Public Security Standardizes the Names and Codes of Coast Guard Boats"]

[Text] Hangzhou, 15 Mar (XINHUA)—To counter the chaotic state of marine antismuggling operations which began last year, in which some departments who were not involved in antismuggling operations were prompted by personal interests to send their own men to sea, leading to a number of incidents in which foreigners were involved, the Ministry of Public Security [MPS] issued the following regulations a few days ago: As of 1 April this year, coast guard boats that are responsible for marine security and antismuggling operations will all follow a standardized code system. Their boats are to be named in accordance with a nationally standardized code system beginning with "Public Security Border XYZ" and will be issued a forgery-proof "marine patrol duty pass" by the Ministry of Public Security. Duty personnel on board will all wear a uniform arm band for identification purposes.

Li Huan, deputy director of the MPS Frontier Guard Bureau, said at a coastal border guard seminar opening today that the standardization of boat names and codes and the requirement for duty personnel to wear uniform bands have been prompted by the need to rectify the marine situation and maintain order, and are part of the public security border units' effort to regularize their forces. A new and uniform identification system will help prevent other boats from going out to sea to hunt for smugglers while masquerading as public security border units. Domestic and foreign ships and the personnel on board can refuse [ke yi ju jue jie shou 0668 0110 2147 4815 2234 2392] to be inspected when a boat in violation of the above-mentioned regulation demands a provisional [lin shi 5259 2514] inspection.

### Deng's Daughter Says He 'Shows Great Concern' for NPC

HK2103115094 Beijing JIEFANGJUN BAO in Chinese  
15 Mar 94 p 1

[By Wang Huizhen (3769 1920 6297) and reporter Li Yin (2621 0692): "NPC Deputy Xiao Rong Says Deng Xiaoping Shows Great Concern for the NPC and CPPCC Sessions"]

[Text] Beijing, 14 Mar (JIEFANGJUN BAO)—"Although my father, Deng Xiaoping, did not attend the NPC session as a NPC deputy, he is very concerned about the convening of the Second Session of the Eighth

NPC and the Second Session of the Eighth CPPCC, as are all other deputies and people of all nationalities across the country."

Xiao Rong, an NPC deputy of the PLA, who had just hurried back home from Japan after participating in a ceremony for the first publication of the Japanese edition of the book *My Father, Deng Xiaoping*, made the above remarks in an interview with these staff reporters at the plenary session of the NPC delegation of the PLA today.

The reporters asked: "What is Comrade Deng Xiaoping's current health?" Xiao Rong said: "He is very healthy now. Of course, at his old age, he is not like he used to be. But for a 90-year-old man, his health is not bad. He reads a dozen or so papers daily and he watches news bulletins on television. Like other NPC deputies, he also reads some documents about the current NPC session."

The reporters asked Xiao Rong whether Comrade Xiaoping also reads JIEFANGJUN BAO daily, and she said without hesitation: "Of course, JIEFANGJUN BAO is an important paper. My father has to read it every day because he is a veteran serviceman. From the Red Army to the Eighth Route Army to the PLA, and finally acting as the chairman of the Central Military Commission, he has always been very concerned about army building. Although he is retired now, he likes to read JIEFANGJUN BAO as he used to."

Xiao Rong also answered this question: "Why has Comrade Xiaoping spent the Spring Festival in Shanghai over the past seven years?" Xiao Rong said: "My father likes Shanghai. He attaches special importance to Shanghai's important position in China's reform and opening up and economic development. He thinks Shanghai's role cannot be replaced by any other place. During my father's stay in Shanghai over the last Spring Festival, he witnessed its huge changes and happily commented: 'It's really good!' He had never said this before."

Then Xiao Rong smilingly recalled and said: When my father saw the newly built Yanggao road in Pudong he was very cheerful and composed an "impromptu poem": "Seeing the road today is better than reading for one hundred years." At that time, I said: You've never composed a poem before, why have you come up with one today? My father said seriously: "These words are from my heart." As he said this, everyone on the spot laughed including Shanghai Municipal Party Secretary Wu Bangguo and Mayor Huang Ju.

Finally, the reporters asked: "When will the second volume of *My Father, Deng Xiaoping*, (whose author is Mao Mao, that is, Xiao Rong) which has long been expected by readers, be published?" Xiao Rong disclosed: "I am now making preparations to write the book."

## Economic & Agricultural

### RENMIN RIBAO Calls For Economic Development

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["Text" of 19 March RENMIN RIBAO Editorial: "Maintaining Sustained, Rapid, and Healthy Economic Development"]

[Text] Beijing, 18 Mar (XINHUA)—The basic principle for the work of the whole party and country this year is, using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as guidance, to thoroughly carry out the guidelines set by the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee; to quicken the step of building a socialist market economic system; to maintain sustained, rapid, and healthy economic development; to preserve political stability; and to promote progress in all social sectors. Party committees and governments at all levels should take their local reality into consideration; study the situation well; unify their thinking, steps, and action; and thoroughly carry out this guiding principle in a positive manner.

The current economic situation is good—all localities have placed great importance on agricultural production, they started early and have paid great attention to it, and all measures taken have been quite effective. Industrial production has continued to grow rapidly and efficiency has improved to some degree; the state's key construction projects have been carried out smoothly; the consumer products market has been brisk and active; and people's lives have continued to improve. However, some difficulties and relatively conspicuous contradictions still exist in economic work—agriculture's relative efficiency has dropped; the peasants' income remains to be increased; the scale of fixed asset investment is still larger than desired; the efficiency of some large and medium state-owned enterprises is poor; and the industrial structure is not completely rational. It should be said that, following high economic growth in the last two years, constraints caused by the "bottleneck" and pressure of inflation have increased, and the entire economic climate is uneasy.

This year is a very crucial one for development and reform. We are advancing reform of the economic system amid rapid economic development, and need to maintain a high economic growth while accelerating the process of transforming the system. In particular, it is not easy to properly organize and implement the various major reform measures that have been initiated for the purpose of building a socialist market economic system, because these measures involve many sectors and industries. To do this, we must shore up our conviction that we can defeat all difficulties; keep cool heads; judge the hour and size up the situation; grasp the overall situation

of reform, development, and stability; and properly handle the dialectical relationships between sustained, rapidity, and healthiness while developing the economy.

China has achieved good results in sustaining its economic development and this has drawn worldwide attention. Practice proves the fundamental reason why we have been able to sustain our economic development is that we have used reform and opening up as a powerful driving force for development, that we have followed the socialist market economic law in doing practical work, and we have prevented drastic ups and downs. This year China's reform centers on establishing a new system and a series of major reform measures have been launched. Properly organizing and implementing these measures will inject a powerful driving force to the further, sustained development of the economy. Of course, reform and development are a very complicated systems project—it takes courage and prudence as well. This demands we properly handle the relationships between various contradictions; and we take positive, cautious, and appropriate action in designing strategy, in making use of opportunities, in grasping the rhythm, and in devising specific steps and measures. Only by doing so can we avoid sharp twists and turns, and drastic ups and downs. Currently, leading cadres at all levels should properly use the materialist dialectical viewpoint to analyze the situation, handle problems, prevent ideological one-sidedness and one-sidedness in understanding things, and prevent mistakes, especially big mistakes, in making decisions.

The economy should develop more rapidly—this is a wish of people across the country as well as a pressing demand posed by the international and domestic situations. What we mean by rapidity is rapidity with efficiency. We do not mean to maintain the high growth simply by increasing investment, expanding the investment scale, launching new projects, and expanding (wai yan, 1120 1693) development. Experience proves that speed without efficiency and that does not conform to economic law is not real speed. This kind of speed not only cannot yield the results of rapid development, on the contrary, it will increase our burden and eventually impede rapid economic development. The macroeconomic regulation and control measures timely adopted by the central authorities last year have effectively solved the prominent contradictions and problems cropping up in the course of development; have forcefully rectified the financial order; checked the real estate fever, development-zone fever, and excessive growth in investment; and stabilized the economy and supported the state's key construction projects, thereby alleviating problems in some areas and making new improvements to the economic development climate. But, the trend of launching new projects regardless of whether conditions permit or not is still quite strong in some localities. For this reason, we should continue to strengthen and improve macroeconomic regulation and control to prevent the recurrence of inflation. In preparing this year's development



plans, all localities should proceed from reality, take the overall situation into consideration, be scientific, keep cool headed, be realistic, set development objectives according to actual needs and feasibility, and must not blindly compare themselves with each other. They should shift their minds from pursuing speed to paying attention to real development; and place the center of their economic work on deepening reform, transforming mechanisms, improving the industrial structure, strengthening management, promoting technological progress, and increasing productivity. This has extremely great significance for our future economic development.

Whether the economy can develop rapidly and in a sustained manner primarily depends on whether it can develop in a healthy manner. Healthy economic development requires a comparatively coordinated and rational industrial structure, and a set of economic functioning mechanisms that can maintain highly-efficient economic operations. This year we still need to pay attention to improving the industrial structure. We should further consolidate and strengthen the role of agriculture as the foundation of the national economy, increase agricultural investment, ensure a good agricultural harvest this year, and increase the peasant's income. We should continue to seriously implement the "Regulations Governing the Transformation of Operating Mechanisms of State-Owned Industrial Enterprises," properly manage large and medium state-owned enterprises, take various measures to increase enterprises' vitality, and properly organize the experimental work on building a modern enterprise system. We should guide enterprises to forcefully open up international and domestic markets, timely adjust product mix according to market demand, and provide active support to the production of readily marketable products. We should continue to step up the construction of infrastructural

facilities, ensure the state's key construction projects, and gradually alleviate constraint caused by the "bottle-necks." Construction of infrastructural facilities also needs to be carried out according to the importance and urgency of a project, and to the resources available; we should make the best use of our limited financial and material resources. We should strengthen and improve macroeconomic regulation and control, and strive to maintain a basic balance between total supply and total demand. Improving the industrial structure is fundamental work that involves many sectors and industries, so we must take the overall situation into consideration. We should consider the nation's overall situation in deciding the priority and importance of a project. At the same time, by deepening reform, we should further straighten out the relationships between various sectors and truly solve problems concerning the economic system and economic functioning mechanisms. Of course, by healthy development we do not mean there should be no faults at all; what we demand is that we should prevent major problems from occurring, and should discover problems and take effective measures to solve them as soon as they begin to surface.

Seizing the opportunity, deepening reform, broadening the scope of opening up, promoting development, and maintaining stability—this is the general work of the whole party and country this year. Work in all areas should be subordinated to and serve this goal. Judging from the situation early this year, the situation on the economic front is good. We should continue to maintain the work style of being modest and cautious, and of guarding against arrogance and rashness; we should keep our cool heads and work in a down-to-earth manner; we should meticulously organize our work and work diligently to ensure the economy develops rapidly and in a sustained and healthy manner; we should endeavor to do this year's economic work better than we did last year's.

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